Kinetics Mutual Funds

Third Quarter 2022 - Conference Call with Peter Doyle

October 12, 2022

Important Risk Disclosures:

Horizon Kinetics Asset Management LLC ("HKAM") is pleased to announce that on October 12, 2022, Peter Doyle, Co-Founder of HKAM and Senior Portfolio Manager for Kinetics Mutual Funds, Inc., hosted a conference call to financial advisors. The transcript set forth below is intended to provide a summary of Mr. Doyle's remarks.

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Options contain special risks, including the imperfect correlation between the value of the option and the value of the underlying asset. In addition, investing in foreign securities involves more risk than does investing in U.S. investments, including the risk of currency fluctuations, political and economic instability, and differences in financial reporting standards. There may also be heightened risks investing in non-investment grade debt securities and the use of options. Also, there are risks associated with investing in small and medium size companies. Unlike other investment companies that directly acquire and manage their own portfolios of securities, the Funds pursue their investment objectives by investing all of their investable assets in a corresponding portfolio series of Kinetics Portfolio Trust.

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The S&P® 500 Index represents an unmanaged, broad-based basket of stocks. It is typically used as a proxy for overall market performance. The S&P® 600 Index measures the small-cap segment of the U.S. equity market. The index is designed to track companies that meet specific inclusion criteria to ensure that they are liquid and financially viable. The iShares MSCI ACWI Index seeks to measure the performance of both the MSCI World Index and MSCI Emerging Markets Index. The iShares EAFE Index measures international equity performance across large and mid-cap equities across developed markets in Europe, Australasia and the Far East, excluding the U.S. and Canada. The Barclays 1-3 U.S. Credit Bond Index is composed of investment grade U.S. credit securities with a maturity between one and three years. The Barclays U.S. Aggregate Bond Index is composed of the Barclays U.S. Government/Corporate Bond Index, Mortgage-Backed Securities Index, and Asset-Backed Securities Index, and includes securities that are of investment grade quality or better, have at least one year to maturity, and have an outstanding par value of at least $100 million. An investor cannot invest directly in an index.

Chris Bell: Good morning, everyone. Welcome and thank you for your time today for the 2022 Third Quarter Kinetics Mutual Funds Update Webinar. Today we're joined by Peter Doyle, Cofounder of Horizon Kinetics and President of Kinetics Mutual Funds, as well as Vice President and Portfolio Manager James Davolos. Peter will speak broadly about the economy, energy markets and inflation, and then James will drill down into specific areas that are reinforcing our investment thesis, and then we'll take questions. Please note that we are recording this call and a replay will be available. The slide deck we're using will be available as well. Please reach out to me at cbell@horizonkinetics or one of your Horizon Kinetics sales team, or your HRC representative, or go to www.kineticsfunds.com for factsheets and presentations. Also, please go to www.horizonkinetics.com for what's new, research, investment opportunities and podcasts discussing our inflation beneficiaries, business models and other strategy updates. Also, please follow us on Twitter and LinkedIn. We are posting weekly observations that we believe are of interest to investors.

Performance in the third quarter was exceptionally strong compared to the S&P 500, with the Paradigm Fund (no-load class) delivering a 9.02% return for the quarter, with the year-to-date return being 6.28% through September. Once again, our largest exposures, energy and inflation beneficiaries, performed very well in the quarter. More on that later from Peter and James. It's very important to note that since the Paradigm Fund's inception date, we have outperformed the Standard & Poor's 500 by 460 basis points, producing an annualized return of over 10.6%. Note that the factsheet should be available on the website within two to three weeks, and at this time I'll turn it over to Peter Doyle.

Peter Doyle: Thank you, Chris, and good morning to everyone. As Chris mentioned, we're heavily weighted in energy and inflation beneficiaries, and I think the elephant in the room is our position in Texas

Pacific Land Corp (TPL). And I'm going to share a little story about two incredibly good investors and how they became very successful. And I think this is the model that we've been following. So, recently, a gentleman named Sandy Gottesman passed away, and Sandy Gottesman was a multibillionaire. He lived to the age of 96, and he was a board member of Berkshire Hathaway and he started a firm called First Manhattan. And Sandy and Warren Buffett met in the early 1960s. And the reason they met was that they happened to be buying the same securities, and a mutual friend of theirs said, you two should speak, and they just seemed to come up with the same ideas together. And what ended up happening, they had lunch or dinner and then the spoke virtually every Sunday night discussing investment ideas. And Sandy Gottesman, his biggest position by far was Berkshire Hathaway, but he also owned TPL. And the bulk of their wealth, both gentlemen, is concentrated in one name, i.e., Berkshire Hathaway.

So, when we purchased TPL in our various funds, we understood the business model. We understood it was among the best in the world. It was basically a royalty company, a check-cashing company. And there was this call option on the development of hydrocarbons under their land, and we really felt that we were never paying anything for it. We decided to hang onto it, and the compounding effect has caused it to become a very large position. Now, deciding to hang onto it is actually a very active decision. We could easily have sold the security, you know, along the way, as many investors do. The typical turnover in the mutual fund industry is over 100% per annum. And we didn't do that because when you own something great, the best thing to do is leave it alone.

Now, I will say, I don't want to be known as the kind of the Cathie Wood of the value investor world – there is <u>price</u> risk in TPL. But I don't believe there is financial risk. There's no debt on the balance sheet. The company has several hundred million dollars of cash on the balance sheet but that does not mean the stock can't go down, and it has gone down many times in the past. But longer term, the business fundamentals remain very robust. We think that the drilling on their property is likely to go higher in the future, the price of energy is likely to go higher in the future, in our opinion for a variety of reasons, and the earnings of the company should continue to grow. They also have a lot of optionality on the property as well. So, as the real estate on their surface acreage gets developed, you're likely to see that go up in value.

So, a large position. We'll not be adding to it here, but if we got in new money we would be able to work down the position in that way. So, that's kind of, you know, addressing the issue of that. So, what I tell investors and I instruct our marketing team to tell investors is: size us appropriately. If you think the concentration is too high, don't make us a 5% position, make us a 2% position, etc., or a 1% position. But the bulk of the world's wealth is created by concentration, and that's something that we're comfortable with, and especially comfortable with if you own something great.

Looking at the broader world and, you know, this expression is "May you live in interesting times" – we certainly live in interesting times right now. The Federal Reserve has a policy of raising rates right now in an effort to tame inflation. And my colleague Murray Stahl recently gave a webinar stating, I thought very explicitly, why that was not likely to be successful. Primarily because roughly 40% of the GDP of the country is government, state and local spending, and that's not going to go down because you raise interest rates; then you go through various industries, such as medical, utility, etc. That is not likely to reduce demand because you have higher interest rates. So, their policy is a flawed policy, and we think that it's not going to drive inflation lower. And it's actually quite a dangerous policy when you think about it: cutting demand, trying to reduce the amount of employment in the country, doesn't lead to social stability. And, in fact, a lot of what's going on around the world, a lot of instability is sprouting up because of the scarcity of energy; needed commodities are not available, and you're starting to see people become very angry.

So, some months back when we were doing this call, we talked about a crisis of debt. And one of the things that we were concerned about – and you're starting to see it play out in real time – is that the debt burden of the world is staggering relative to the underlying economies. And, to put it in perspective, the world debt right now stands at roughly $318 trillion. Probably higher than that but that's the number I got off the internet recently. And the world GDP is something just shy of $100 trillion. If you were to raise interest rates, which central banks around the world are doing, just 2% on that debt – now, obviously, it takes time for that to filter through – that would cause the interest expense to go up by $6 trillion. That would mean that in order to keep things in stasis, world GDP would have to rise by $6 trillion. And you can see that the GDP is not rising at that rate globally.

So, we're in this crisis where the debt burden and the interest payments are becoming larger and larger. And James is going to get into that during the slides. James, Brandon and Frannie from our organization put together 17 slides that go through the real world implications of these macro issues and what's likely to filter through through various asset classes.

Historically, any nation that got about roughly 130% debt to GDP, 50 out of the 51 actually either defaulted on their currency, or had to restructure their currency and their currency basically got the base down to zero. The only one of those countries that has managed to avoid that situation is Japan. And if you've been paying attention to Japan, they're holding down their yields – it's called yield curve control –interest rates are at 25 basis points; they recently spent, over a period of about a week, 15% of their reserves in order to defend their currency, and they've now stepped away from that. They set the dividing line at 145 yen to the dollar. It's now above that. And as the other central banks around the world raise rates, Japan's currency is under tremendous pressure and you're likely to see a collapse there. So, unless other central banks start to reverse themselves, we are likely to see many, many cracks in foundations going around the world.

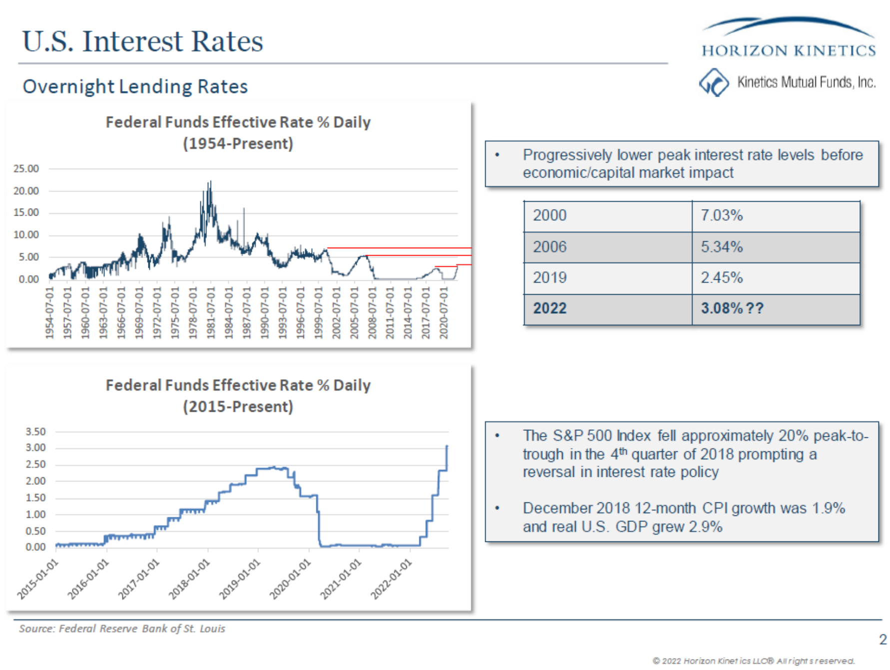
We recently reported low unemployment. So, robust employment numbers. We have negative GDP over the last two quarters. They're raising interest rates at a record pace. And normally in order to squelch inflation, Fed Fund rates would have to get above the core inflation rate, and that's currently running around 6%. If the Federal Reserve were to do that, it would cause such economic shocks around the world. And I think what everyone is hoping for and waiting for is some type of pivot.

And the last thing that we had spoken about, going back several months, was the valuation crisis. And we said that the market was well over-valued, and you're not likely to have a repeat in bringing rates down to zero; you can only go down to zero and then it's likely to reverse itself. And if you saw the inflationary pressures the way we saw that, we thought that was going to happen. The stock market, the bond market, real estate market's starting to have cracks. They're all coming down very substantially.

So, a long way of saying that there's a lot of risk out there still, and most of the equity depreciation that you've seen so far has really come from a contraction in P/E multiples; it has not come from actual earnings revisions. And if you look at the S&P 500, roughly 40% of revenues come from overseas, and the U.S. dollar is incredibly strong. And if you reduce your earnings estimates on the S&P from, let's say, $230 down 10%, that's roughly 230 points on the S&P 500. You're likely to see higher rates because the Fed seems committed – we'll know more tomorrow what the CPI number's going to be – they seem committed to at least one more rate hike of 75 basis points coming up in November. You're likely to have further P/E multiple contraction, and lower earnings.

So, we don't think we're done yet with the fallout from the actions of the central bank. At some point, the debt burden's so large and the crisis is going to become so overwhelming globally, no one knows exactly where the cracks are going to occur – you're starting to see it in the U.K., you're starting to see it in Germany, you're starting to see it, as I mentioned, in Japan. Eventually, the United States and other central banks are going to basically reverse themselves, accept the fact we're going to live with higher levels of inflation, and control yields because they can't afford paying the added interest expense.

So, with that, I will turn it over to James, who will go through the slides. And I think they're really well put-together slides, and they go through new world implications of what this likely means for investors going forward.



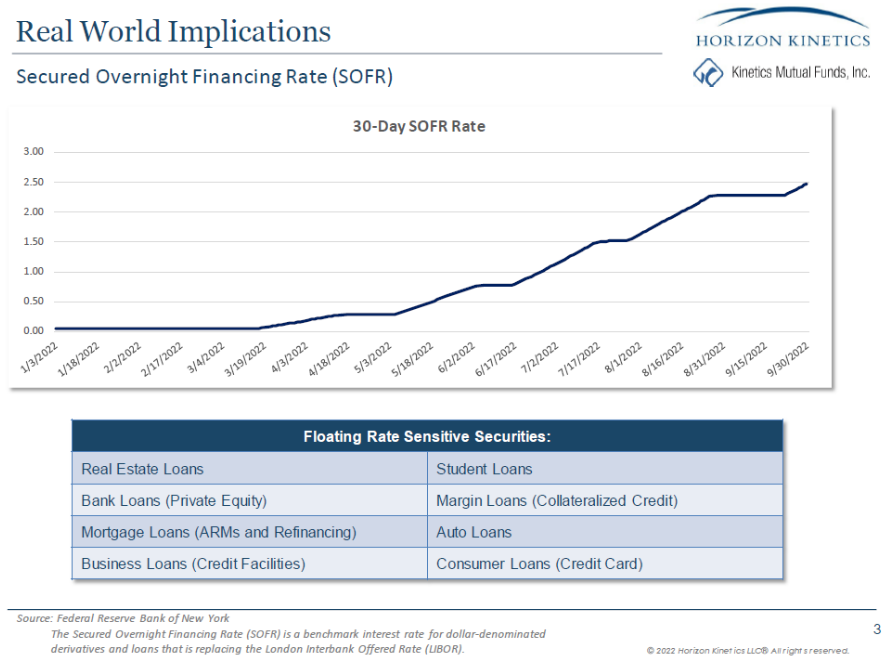
James Davolos: Thanks, Peter, and thanks, everybody, for joining us today. So, this is going to be a pretty macro-heavy slide deck, which I think is uncharacteristic for us as bottom-up value fundamental investors. But this is one of the rare times in history where if you don't pay attention to what's going on from a top-down level, for lack of better words, you could get run over. And I think that's what has happened to a lot of passive investors, a lot of growth investors, a lot of investors with really long duration exposure. But if you start at the top here – I think this is really interesting – where we go back to 1954 and you see almost an arc here of interest rates over time, and this is the effective overnight rate. So, you peak out over 20 during the Volcker Era, then you come down. I think the interesting takeaway here is that in the modern era, markets have basically forced a pivot: in 2000, at around 7%, in 2006 around 5.3%, in 2019 around 2.45%. Today, we're at 3.08%. And I think that we're seeing a lot of issues that are very similar to what we saw in 2000 and there are a lot of parallels to the tech bubble.

In ’06, I would argue you don’t have the same types of leverage but you are seeing cracks in credit, which we’ll get into later. In 2019, that was mostly a market equity-base selloff where the market just couldn’t really handle a higher rate. This was well before COVID, it’s worth mentioning. Today, we’re at 3%. I mean, it obviously looks like we’re almost definitely giving it another 75 basis points, which would get us up close to 4%.

And if you go to the bottom graph, I think that’s also pretty interesting because, going back to 2018, when the market started to hike, if people remember, that fourth quarter was really unpleasant for equity investors where it fell about 20% peak to trough in that fourth quarter. Not too long after, in 2019, they paused, ultimately started dropping rates and then fully went back down to the zero level around in 2020, which obviously was an exogenous shock. But in 2018, CPI was only around 1.9% and real GDP growth was 3%. So, a lot more room for hiking as well as not having kind of additional knock-on effects.

The next slide goes through real world implications of what these hikes have meant. So, this is the Secured Overnight Financing Rate (SOFR), which – this is the 30-day, but this is kind of a benchmark. You can look at 30-day, 60-day, 90-day. There are different things with term premia here, but the important thing is in the past three years, there’s been a tremendous amount of floating rate debt that’s been issued, where people had to believe that we were going to stay close to zero forever. And that’s because the Fed basically told people that they wouldn’t even consider hikes until 2023. So, it wasn’t necessarily that irresponsible for people to go out and take on prodigious amounts of leverage at SOFR plus 200bp[1]. Where, when SOFR was effectively zero, you were borrowing at 2%, if you could buy real estate or equity or anything at 5% or 6%, that’s a great spread.

[1] Basis points (bp): Basis points are a common unit of measure for percentages in finance. One basis point is equal to 1/100th of 1%.



The problem now is that if you're at SOFR plus 200 and you're at 250bpon your SOFR plus 200bp is your spread, you're borrowing at 4.5%. A lot of these assets that people have levered up have yields below 4.5%. So, in the U.K., you're seeing what's going on with the gilt system collapsing because people were borrowing based on short-term funding rates into long-term gilts to try to get a yield. 10:1 leverage, you mark that down, 10% of your equity's gone. Plus, if your funding cost is more than your yield, you're also insolvent. Actually, that's a theme that we can see when we go through the U.S. government's balance sheet.

But look at all of these securities here. You have real estate loans, bank debt, which are big in private equity – you know, those are private equity loans – mortgage loans, whether it's an adjustable rate mortgage (ARM) or a refinance (Refi), business loans - almost every business on earth has a revolving credit facility, which is SOFR-based, a lot of student debt is actually floating rate, margin debt. So, all these people that are buying houses, and cars, and boats, and vacation homes using their equity in their portfolio, those private credit lines, those are linked to short-term interest rates. So, if you were borrowing against your $10 million of equity at 3%, that might be 8% now. That's a pretty tough carry. Auto loans, credit card loans, also floating rate. So, all these things are shifting. Plus, in other markets, notably, the U.K., Australia, Canada, the vast majority of mortgages are short-term floaters. So, this is already flowing through into big issues.

Anecdotally, one other crack I'm seeing is that a lot of these people who levered up two-three years ago at SOFR plus 200, they bought rate caps where they said, look, I'll protect myself out two years, three years, four years at, let's say, a rate cap of 200. So, that might cost, you know, a couple thousand dollars per million of notional. That's actually about $50,000 per month of notional – per million dollars notional now. Because instead of being a deeply out-of-the-money rate lock, you're rate locking in the money by 50, 80, 100 bps. So, again, this is all starting to flow through and is one of the reasons why I think that we're getting closer and closer to being stuck.

More real world implications here, which is where our interest expense would sit. And I'm being very generous to the United States government here where I'm only using marketable debt outstanding and I'm not including any intergovernmental lending. So, what I mean by that is the private issue treasuries are excluded, as are quantitative easing that are held by the Fed. So, you can see here bills, notes, bonds, TIPS, floaters. The average rate across this whole tenor is about 1.9% with about 6.2 years of maturity. So, that adds up to about $450 billion a year of interest. If we were to then reset each of these rates at their respective average weighted maturity – again, we're doing some rounding here; we're not getting all that scientific – but you can basically see that we'd get a lot closer to 4% from 1.9%. That would take us up to $910 billion, so almost a trillion dollars of annual interest expense, doubling the interest burden of another $450 billion.

Real World Implications

HORIZON KINETICS
Kinetics Mutual Funds, Inc.

Federal Interest Expense ($millions)

Record Date	Security Description	Outstanding	Avg Rate	Interest	Adj. Rate	Adj. Interest	Extra Interest
9/30/2022	Treasury Bills	$3,643,675.25	2.453	$89,379.35	*4.00*	$145,747.01	$56,367.66
9/30/2022	Treasury Notes	$13,696,487.61	1.59	$217,774.15	*4.00*	$547,859.50	$330,085.35
9/30/2022	Treasury Bonds	$3,867,671.65	3.001	$116,068.83	*4.00*	$154,706.87	$38,638.04
9/30/2022	Treasury Inflation-Protected Securities (TIPS)	$1,839,843.34	0.464	$8,536.87	*2.00*	$36,796.87	$28,259.99
9/30/2022	Treasury Floating Rate Notes (FRN)	$625,896.53	3.309	$20,710.92	*4.00*	$25,035.86	$4,324.95
		$23,673,574.38		**$452,470.12**		**$910,146.11**	**$457,675.99**

The United States has approximately **$24 trillion in marketable debt held by the public** with a weighted average coupon payment of approximately **1.9% and average maturity of 74.3 months (6.2 years).**

This translates into over $450 billion of interest expense per year, which balloon to over $900 billion at current interest rates.

The incremental interest expense is equivalent to nearly the entire federal government budget for non-defense consumption per year.

At current interest rates, total federal government interest expenses will exceed the entire annual defense budget.

Source: U.S. Treasury

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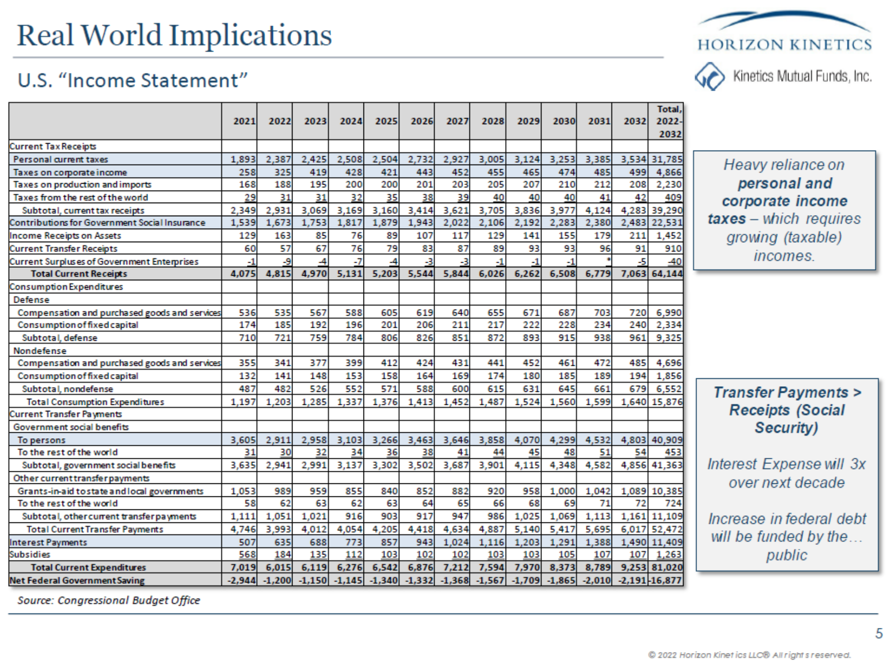
Just to get that into context, and we'll have a slide later where I can show this, the entire government's nondefense consumption per year is about $450 billion. We'd match that with the extra interest. And if you add both of those up at $900, that's the entire defense budget per year. So, we're talking enormous numbers in terms of the current interest, but then market-rated interest gets absolutely critical.

The next slide actually goes into a little bit more detail on where the U.S. income statement is. A lot to digest here but if you look at the top blue lines, government receipts are really dependent on personal income taxes. You might think corporations make all the money, but the real tax base is individuals. But corporate taxes are also significant. And you're seeing that that actually grows pretty linearly and pretty reliably over the next decade. This is really important because this is our receipts. And the CBO is not putting in any new policy. So, the CBO uses existing policy.

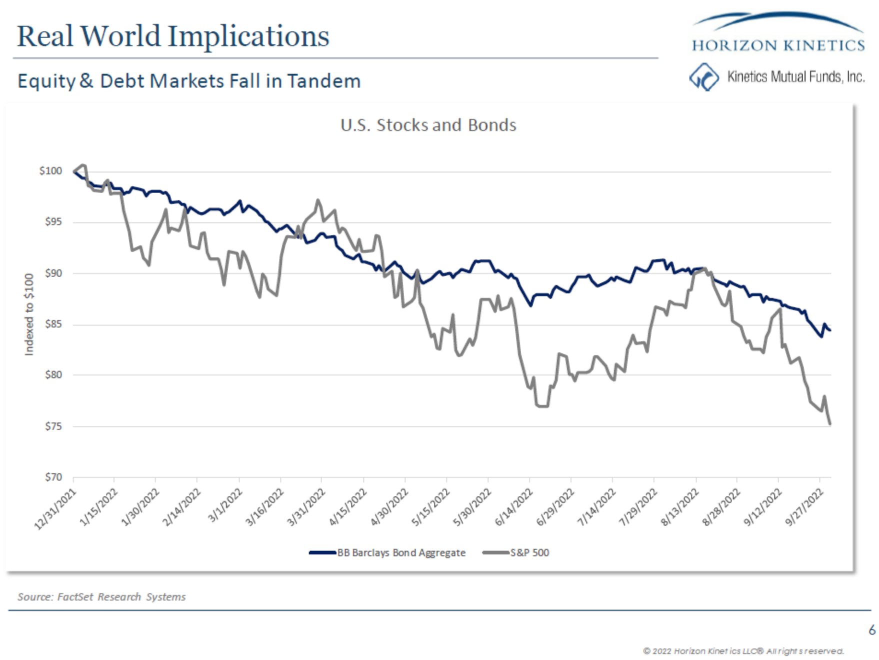


	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total, 2022-2032
Current Tax Receipts													
Personal current taxes	1,893	2,387	2,425	2,508	2,504	2,732	2,927	3,005	3,124	3,253	3,385	3,534	31,785
Taxes on corporate income	258	325	419	428	421	443	452	455	465	474	485	499	4,866
Taxes on production and imports	168	188	195	200	200	201	203	205	207	210	212	208	2,230
Taxes from the rest of the world	29	31	31	32	35	38	39	40	40	40	41	42	409
Subtotal, current tax receipts	2,349	2,931	3,069	3,169	3,160	3,414	3,621	3,705	3,836	3,977	4,124	4,283	39,290
Contributions for Government Social Insurance	1,539	1,673	1,753	1,817	1,879	1,943	2,022	2,106	2,192	2,283	2,380	2,483	22,531
Income Receipts on Assets	129	163	85	76	89	107	117	129	141	155	179	211	1,452
Current Transfer Receipts	60	57	67	76	79	83	87	89	93	93	96	91	910
Current Surpluses of Government Enterprises	-1	-9	-4	-7	-4	-3	-3	-1	-1	-1	*	-5	-40
Total Current Receipts	**4,075**	**4,815**	**4,970**	**5,131**	**5,203**	**5,544**	**5,844**	**6,026**	**6,262**	**6,508**	**6,779**	**7,063**	**64,144**
Consumption Expenditures													
Defense													
Compensation and purchased goods and services	536	535	567	588	605	619	640	655	671	687	703	720	6,990
Consumption of fixed capital	174	185	192	196	201	206	211	217	222	228	234	240	2,334
Subtotal, defense	710	721	759	784	806	826	851	872	893	915	938	961	9,325
Nondefense													
Compensation and purchased goods and services	355	341	377	399	412	424	431	441	452	461	472	485	4,696
Consumption of fixed capital	132	141	148	153	158	164	169	174	180	185	189	194	1,856
Subtotal, nondefense	487	482	526	552	571	588	600	615	631	645	661	679	6,552
Total Consumption Expenditures	1,197	1,203	1,285	1,337	1,376	1,413	1,452	1,487	1,524	1,560	1,599	1,640	15,876
Current Transfer Payments													
Government social benefits													
To persons	3,605	2,911	2,958	3,103	3,266	3,463	3,646	3,858	4,070	4,299	4,532	4,803	40,909
To the rest of the world	31	30	32	34	36	38	41	44	45	48	51	54	453
Subtotal, government social benefits	3,635	2,941	2,991	3,137	3,302	3,502	3,687	3,901	4,115	4,348	4,582	4,856	41,363
Other current transfer payments													
Grants-in-aid to state and local governments	1,053	989	959	855	840	852	882	920	958	1,000	1,042	1,089	10,385
To the rest of the world	58	62	63	62	63	64	65	66	68	69	71	72	724
Subtotal, other current transfer payments	1,111	1,051	1,021	916	903	917	947	986	1,025	1,069	1,113	1,161	11,109
Total Current Transfer Payments	4,746	3,993	4,012	4,054	4,205	4,418	4,634	4,887	5,140	5,417	5,695	6,017	52,472
Interest Payments	507	635	688	773	857	943	1,024	1,116	1,203	1,291	1,388	1,490	11,409
Subsidies	568	184	135	112	103	102	102	103	103	105	107	107	1,263
Total Current Expenditures	**7,019**	**6,015**	**6,119**	**6,276**	**6,542**	**6,876**	**7,212**	**7,594**	**7,970**	**8,373**	**8,789**	**9,253**	**81,020**
Net Federal Government Saving	**-2,944**	**-1,200**	**-1,150**	**-1,145**	**-1,340**	**-1,332**	**-1,368**	**-1,567**	**-1,709**	**-1,865**	**-2,010**	**-2,191**	**-16,877**

The next blue line, which is really important is contributions for Social Security. So, if you match that with the next blue line down about halfway down, government transfers are already about 2x receipts. So, again, I was very generous on the last page not to include entitlements and transfer payments either. But if you go down to the bottom blue line, that shows interest payments. So, again, I was only using a portion of the debt, so I had $450 billion a year. They're saying it's actually closer to $635 billion when you add in those other variables. And then kind of gradually working their way up to $850, over a trillion dollars by '27, approaching a trillion – $1.5 trillion by 2032.

So, these are enormous numbers. If you look down at the very bottom gray line, you can see that in '21, we were at $3 trillion, with a T, deficit and then we're basically running a trillion dollar deficit consistently until '28, then we cross the $1.5 trillion, then we actually cross $2 trillion by 2031-2032. So, anybody that thinks that this is sustainable or tenable, I would say you might want to get examined because who is going to fund this debt? And the Fed is saying that we are. They're saying the public is going to fund all of this debt. Again, really hard to believe this. And it just shows the strains on the dollar in the U.S. fiscal situation. It might be the least dirty shirt but it's a pretty darn dirty shirt, which is why we have our inflationary thesis. Moving onto the next slide.

The other repercussion here is asset prices. So, the blue line is the Barclays U.S. Aggregate Bond Index, which is down about 15% to about $85 in face value. The reason this is really important is this is investment grade but it's also by far the largest swath of debt in the world. This being down 15% when equities in the S&P are down 25% is just a tremendous amount of loss. Where, if you go back to other crises, whether it's '08 or 2000, the last big market downturns, bonds went up. So, the fact that you have both going down in unison, now you have to start thinking about where is collateral, where are leverage ratios and where are fracture points in the broader system?



Asset Class Performance

2022 vs 2008

HORIZON KINETICS
Kinetics Mutual Funds, Inc.

September 2022

Asset Class	2021 Market Value	YTD % TR[1]	Value Lost
Global Debt	$302.95T	-19.89%	$60.26T
Global Equity	$124.45T	-25.63%	$31.89T
Total	**$427.40T**	**-21.56%**	**$92.15T**

September 2008

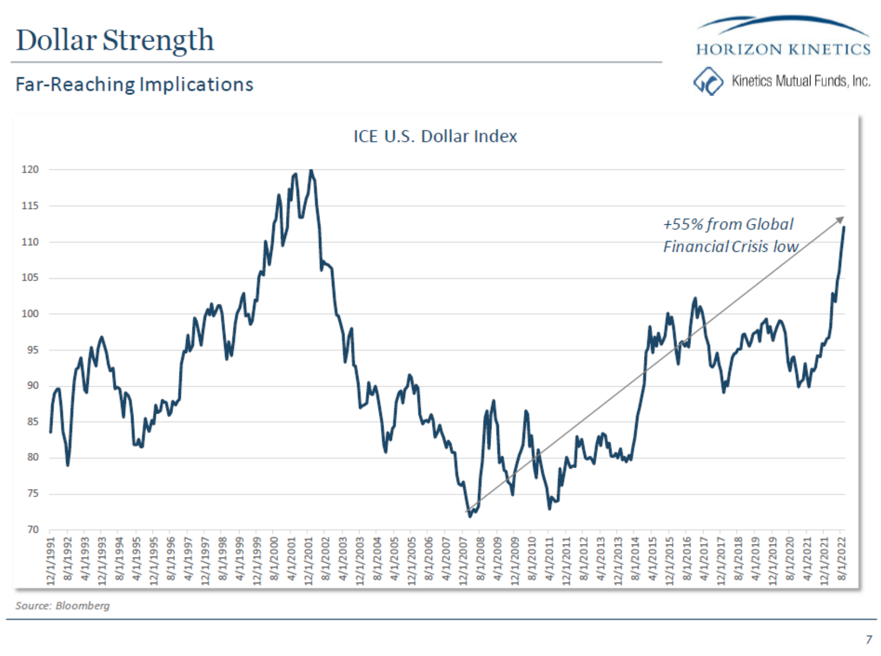
Asset Class	2007 Market Value	YTD % TR[1]	Value Lost
Global Debt	$168.58T	-0.44%	$0.75T
Global Equity	$63.56T	-25.54%	$16.23T
Total	**$232.15T**	**-7.32%**	**$16.98T**

Source: IFF, SIFMA, Bloomberg
[1]MSCI ACWI (Net TR) and the Bloomberg Global Aggregate Total Return Index were used as proxies for overall asset class performance.

8

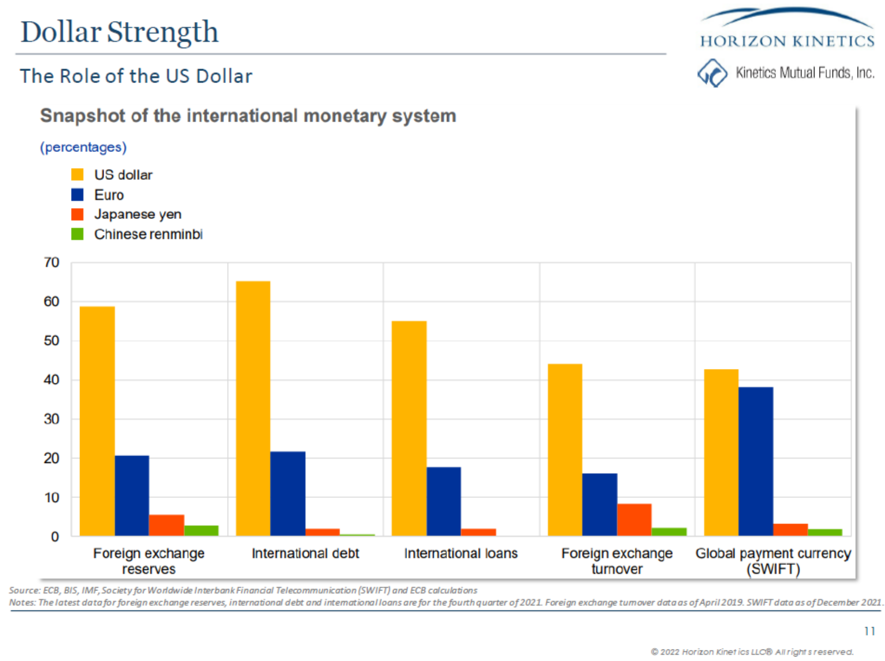
This is the comparison to '08. So, yes, we hit lower lows eventually in 2008, but if you start on the bottom, global debt actually only went down about 40 bps to start in 2008 through the bottom – through the first three quarters of the year. So, that was about $750 billion. A big number but digestible. And, yes, there were losses outside of the investment grade, which is what's captured by the Bloomberg Global Aggregate Total Return Index (Global Ag) but it's de minimis compared to what is in the Global Ag. And the only reason there was a loss there is because you had triple-A, double-A, single-A rated CLOs and things like that that actually were getting hammered. But government bonds were going up. So, that basically negated that entire loss. Global equities were down 25%, which is the same as this year but that's $16 trillion in losses. So, about $17 trillion total mark to market loss.

Switch up to the top. Global Ag is down 20 percent. That's $60 trillion in losses. So, a factor of, call it, 60x. Global equity, okay, again, almost the same exact number, down 25% and change. But this year we're down $32 trillion versus $16 trillion because markets have doubled since September of 2008. So, now you're sitting on $92 trillion in mark to market losses, which is about a 5x multiplier on what we were sitting on in 2008, and people aren't worried about systemic issues. I would say that, again, look at the leverage in the system – who's levering up their equity, who's levering up their treasuries, their gilts, their bonds, their JGBs. There are going to be some repercussions from this.

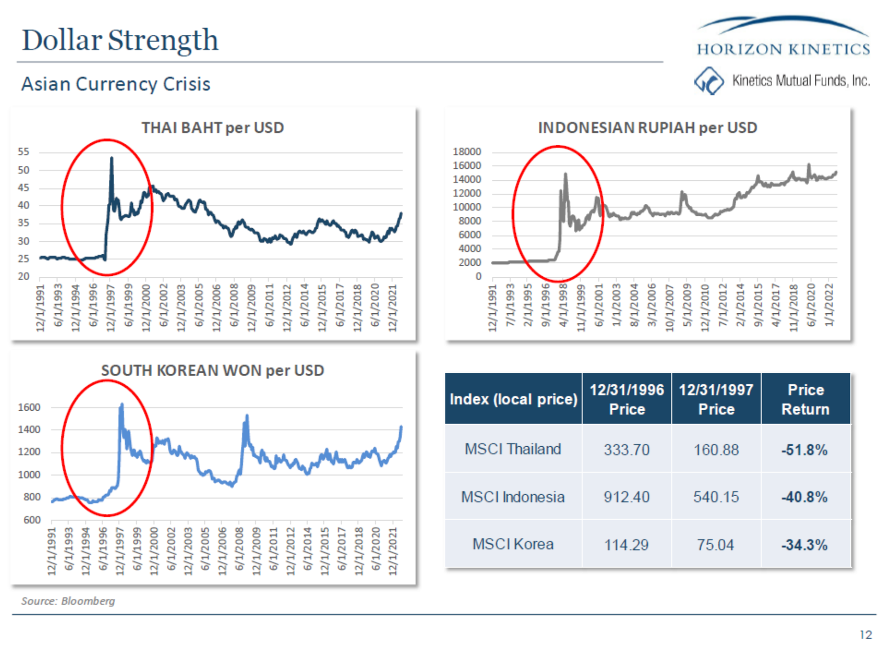


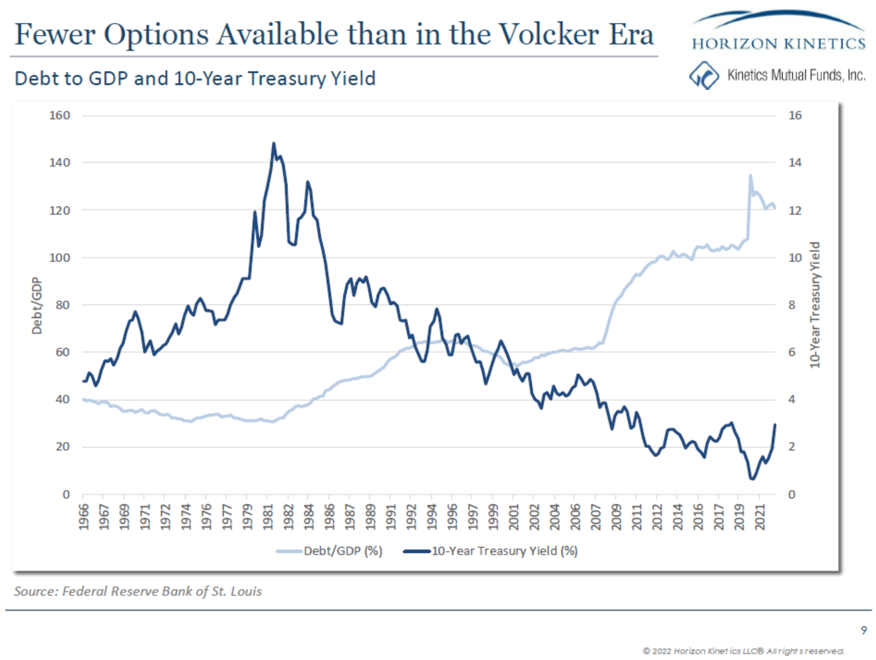
So, I think the other reason that we're kind of boxed in here is the dollar. We don't live in a vacuum anymore. This shows the dollar going back to the early '90s. We're actually approaching an all-time high, which actually was non-coincidentally around when we had the tech bubble. But we bounced 55% off the global financial crisis low, and obviously a really rapid move this year. And, again, I think a lot of that – you know, people talk about all these different theories, but we have the highest bond yields and we have the most liquidity and we're tightening. You see Japan is easing and intervening, you see the U.K. is easing and intervening. I don't think Europe is that far behind, especially as they're subsidizing everybody's energy bill. So, you've got to look at the dollar against hard assets, not against other currencies that are just in a worse position.

Slide 11. Again, this also shows how deeply embedded the dollar is in the international monetary system. So, 60% of global FX reserves, 65% of international debt, 55% of international loans, 45% of foreign exchange turnover, and then about 45% of global SWIFT payments are all in dollars. So, again, really important to think about who the counterparties are that have exposure to the dollar. And that's a limitation. We're not living in a vacuum where we could just hike rates independently and not worry about other countries.



Going onto Slide 12, this actually shows what happened in Asia when we were hiking and – you know, there were a lot of other issues going on: Balance of payments, foreign direct investment, carry trades. But you can see here where it started in Thailand where the baht appreciated by almost 100%. Then even worse with the Indonesian Rupiah, and then the Won in Korea. But you can see how deleterious this was to domestic equity performance, where you were down anywhere from 34% to 50%. And we actually adjusted that in dollar terms. You'd be down 70, 80, 90% in local terms. So, it just shows the repercussions of that dollar impact on those emerging markets that have these dollar variables at play.





But, more importantly, on Slide 15 –this is the really important one. So, again, you go back to the Volcker Era where everybody talks about this Fed being Volcker-esque in their determination to combat inflation. But you can see during, let's call it, the mid-'60s, early '70s, the 10-Year Treasury yield was about 6%, but total debt to GDP in the U.S. was around 30%. So, actually, as they were hiking up to, call it, 15% for the 10-year, debt to GDP declined actually from high 30s down to the low 30s. So, we were actually in a fiscal surplus while we had very low debt to begin with. So, now, if you were to look at the situation we're in today, debt to GDP is around 120% and the 10-Year Treasury is around 3%.

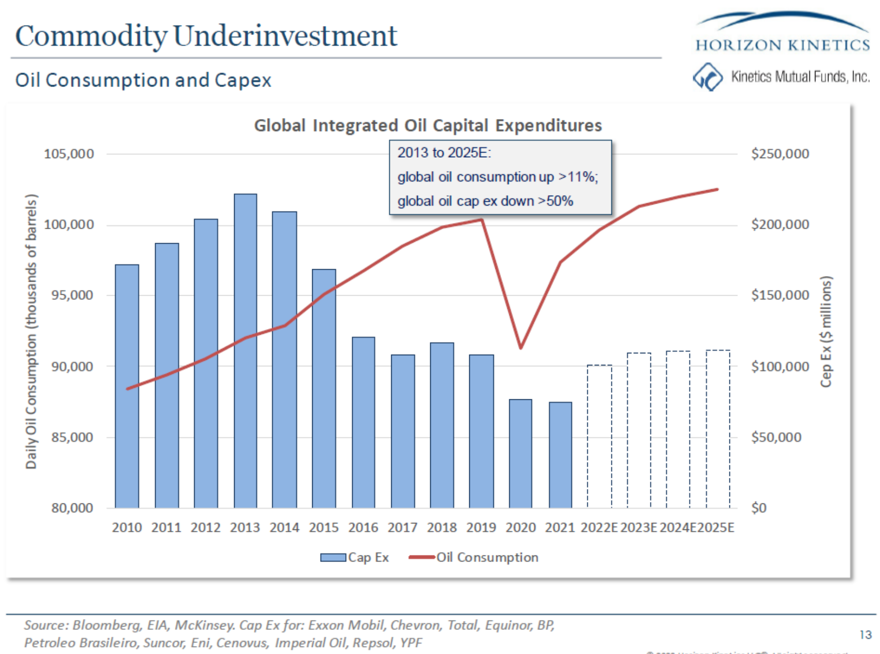
So, two interesting things to note: Obviously, if you're hiking rates and you're adding 1% of your debt funding cost at 30% debt to GDP, that multiplies by a factor of 4 at 120% of GDP. But also, back in the '70s – and if you read history, it was actually really well-articulated in Robert Rubin, who was the Secretary of the Treasury, later on in his biography – Paul Volcker wasn't just sitting there in isolation saying, I need to kill inflation. He was getting phone calls from all of the Treasury holders worldwide saying, you need to support the dollar. We're not going to tolerate this stuff anymore. We'll dump treasuries. So, he had a gun to his head from international creditors, in addition to wanting to combat inflation – so, it wasn't just simply the moral high ground or the integrity to combat inflation. I guarantee you they're getting the same phone call today from people saying, if the dollar doesn't stop, we're going to have a serious, serious problem with your hiking.

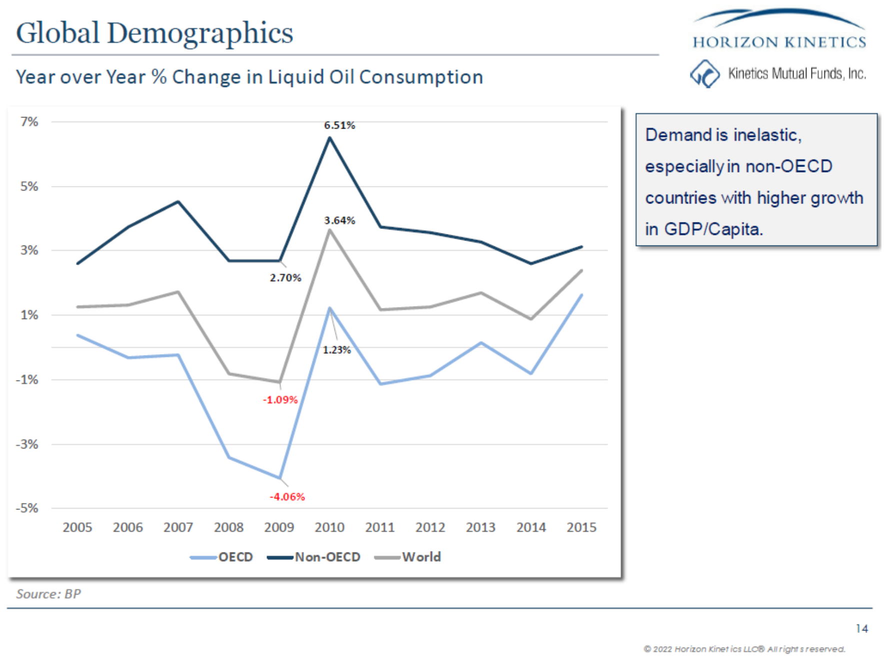
The United Nations told them to stop hiking the other day. You're seeing more and more rhetoric in politics, and I think they just put out these Fed speakers to talk about their determination. But, again, the point here is we don't have the same toolkit and we don't live in a vacuum. There's a large, big, diverse world that has a lot of vulnerability to our short-term rates, our long-term rates, as well as the dollar.

Peter Doyle: Let me just jump in there for one second, James. For those who did not hear Murray in his webinar last week, he also posits that there were two miracles going on that helped basically bring down inflation more so than Volcker. One was the fact that Russia was dumping commodities into the world because they needed hard currency; and, two, China and other nations around the world started to open up their labor force, and we basically were able to outsource inflation to those countries.

James Davolos: Yeah, again, really important. It's really hard to imagine just hiking interest rates is going to be sufficient – and we're going to get to the supply side of the equation in a minute. The miracle of getting all of this new labor, all of these new raw materials, the things that coalesced in the '70s and '80s to produce an era of disinflation is just not repeatable today. And we'll get into that.

This is actually a slide we used last time but I really want to hammer this home because it's actually getting worse. We're not spending on energy, and people are finally waking up to what a big problem this is. You're hearing people talk about it but you're not seeing anyone do anything about it yet. Yesterday, there was a somewhat encouraging note out of Ecuador, which is the old Statoil out of Norway, saying that they're going to try to do "more expansion drilling in Brazil" because offshore is in just a wild deep decline and we need offshore oil.

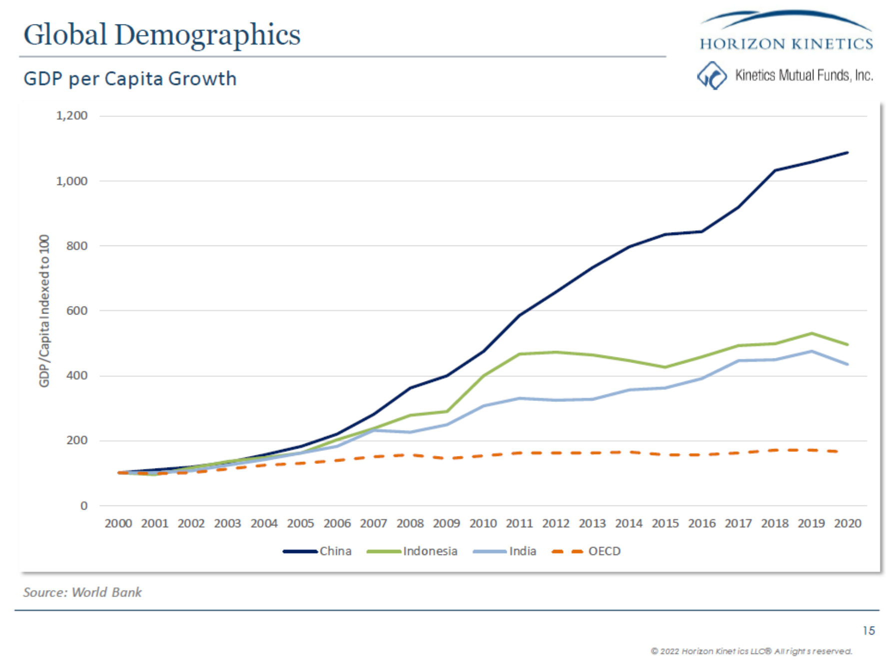




But as we continue to underinvest in raw materials, the inelasticity here is what's really going to catch up to - again, we had this in last month but I really want to hammer it home and for those who weren't on. As bad as 2008 and 2009 were, it's absolutely staggering to me that global oil demand only fell 1% peak to trough. Now, you could argue – you could say, okay, the OECD world fell 4%, the non-OECD world grew almost 3%, to result in that net of 1%. I'd say there were some exogenous effects there, where China was definitely investing in their capital goods very aggressively, we had the U.S. easing pretty aggressively coming out of that. But that was a horrific recession and the world only contracted 1%. That's about a million barrels a day.

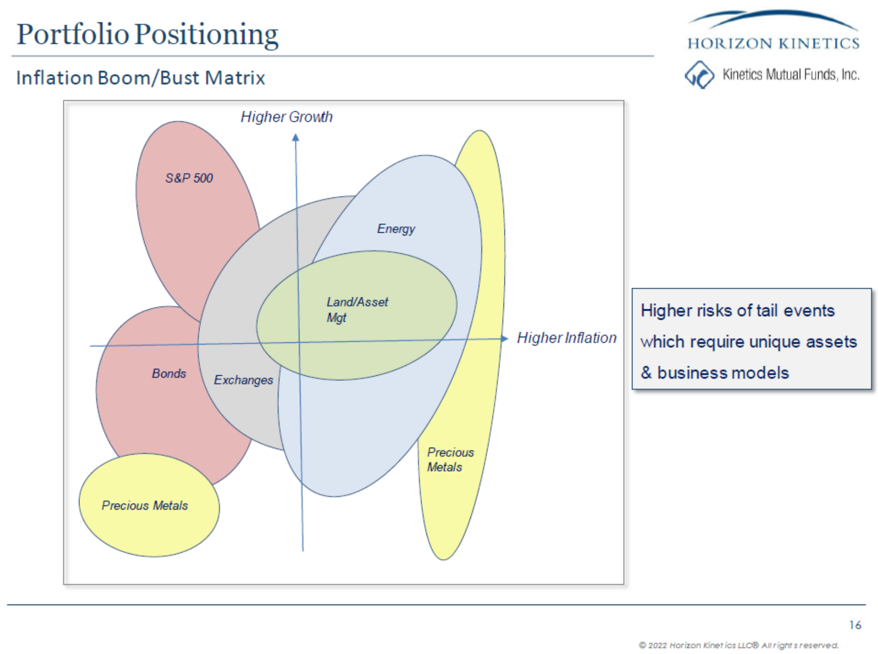
And when you hear these figures thrown around – like, okay, Russia is now down a million barrels, China is under-consuming 2 million barrels because of zero COVID. Well, what if that reverses itself so China actually starts consuming those 2 million barrels, we end the Strategic Petroleum Reserve release, which has been a million barrels a day in the U.S., and then you also have OPEC cutting about a million net barrels. So, that's 4 million barrels a day of demand coming on to the market and in the worst recession in modern history we lost 1. So, again, you do the math. The supply side is going to be so much more important because as much as they want to destroy demand, it's just what you have to do to get that number down over 1 or 2 million barrels is, you know, arguably inhumane. And this is also similar in grains, in proteins, in fertilizers, in industrial metals. I mean, look into copper. If we're going to do 10% of what we say we're going to do in the world, we need to start aggressively developing copper, zinc and nickel right now for electrification. So, really strong secular tailwinds here, but the market trades all this stuff as if we're going into a deep, dark, never-ending recession tomorrow. So, we're loving buying this stuff at anywhere from 7, 8, 10, 12, 16x free cash flow[2].

The next slide shows GDP per capita, which, I think this is another thing that doesn't get enough discussion, which is how important growing off of a low base – so, basically, people's higher standard of living, where you have – China has grown. They've all basically grown from extremely low bases back in 2000. China, by a factor of about 11x, Indonesia about 5x, India about 5x. And the OECD world has maybe doubled over that period. But higher income per capita, which is GDP per capita, that means you want more necessities. When you're coming off this low base, you don't want luxury goods, you don't want consumer goods; you want food, you want energy, you want basic necessities at a higher level. And I don't think this theme is going to be ending and I think that all of these governments are going to pursue this. And that, again, goes back to all of these underinvested industries.



[2] Free cash flow: Free cash flow is the cash a company has left after taking into consideration cash outflows to pay for its operating expenses and capital expenditures.

So, this slide shows exactly how we're positioned for it. And I would say that this might be a little bit confusing, but the matrix here is basically showing you a high-growth world. So, high economic growth on the Y axis, and then higher inflation on the X axis. I think the best place to start here is that, for the S&P to work, especially these valuations, you're kind of betting on a Goldie Locks of high growth. So, high economic growth and real in nominal terms with low inflation, even disinflation. Bonds, the same thing. If you're buying bonds anywhere from 2, 3, 4% yields going out to a further maturity – short-term's a very different story – you actually need low growth and disinflation or deflation.



So, if you see those two red circles there on the left, that shows you where beta[3] is really positioned. And then I think you can look at our portfolio, where energy is the blue, where I think there are scenarios where energy can do phenomenally well in that high growth, high inflation world, which would obviously be a lot better than stagflation as you get down into the bottom rate. But energy actually still does well in inflation because the only thing that would be causing inflation in an economic contraction or no-growth world is going to be raw materials.

So, there are a lot of ways to win with energy and, obviously, I think that valuations are just wild. I mean, Diamondback Energy, one of the biggest domestic independent producers in the country, they acquired about a $750 million asset in the Permian, so incredibly high quality acreage, at 3x earnings before interest, taxes, depreciation and amortization (EBITDA) and a 15% free cash flow yield. I would say if you were

[3] Beta: The beta of a security is a measurement of its volatility of returns relative to the entire market. It is used as a measure of risk.

to kind of fully discount all of the drilling, they bought that at Price to Book ratio of 20x. So, again, status quo, you do just great which is why you still win under the status quo.

Precious metals, actually, there are two scenarios where you can win. I think it's pretty surprising that precious metals have hung in here as well as they have, given the dollar, the interest rate, the Fed dynamics, but everything inflationary benefits precious metals. So, you go all the way from stagflation, bottom right, all the way up to top right where you have high growth because there is – and we'll get into this at the end – I think there's a barbell scenario about comps. And, unfortunately, it's getting wider and more pronounced.

Exchanges are gray. They're kind of hidden in the back there. But the reason exchanges are gray is they do well under a lot of scenarios. Great businesses, trading at 15-20x free cash flow these days. But more volatility, more inflation, more growth tends to benefit them. As you shift bottom left, that kind of disinflationary depression – exchanges might not do great. I think that's where only bonds and precious metals would work.

The last one is land and asset managers kind of in the middle there, where basically I think that the easiest option here is to try to pursue something in the upper right quadrant, where you need to accept the higher level of structural inflation. I think 3% would be Goldie Locks. It's probably a lot closer to 4% or 5%. Hopefully that would coincide with some real growth. So, again, you're going to be right in the – maybe midway up in that upper right quadrant where it really plays great into land companies, asset managers, exchanges, energy, precious metals.

But, again, just the last thing, kind of that barbell. So, what are the risks here? I think right tail would be an inflationary spike where it's growing but it's a debasement spike: we debase debts, we debase all of the liabilities in the system. That's going to be much higher further right. But again, I don't think the S&P does okay in that scenario because the cost structures of these companies are just so vulnerable to higher costs. You really need unique business models to make this work. And, by the way, when I say energy here, I mean energy royalties; precious metals, I mean our streamers and royalties. Land and asset managers are just kind of unique platforms that we own.

The other barbell is bottom left. So, do they go forward and just burn everything down because they've gone so far for so long with easing? And the way I look at it, is we've crossed the point of no return with how far we've gone where the markets just require constant and unending support. Does the global financial system work without it? I would argue no. But if they really want to push that limit, you could definitely skew bottom left. And I think those are the two barbell risks within the framework that we're looking at right now, with all of the different crosscurrents in policy.

But going back to the S&P really quick, just two really interesting quotes that I've read recently. One was Orlando Bravo. So, he's one of the founders of Thoma Bravo, which is an extremely successful private equity firm that focuses on technology and software. Software is really their niche. He said – and you can go on Twitter, he's got a public Twitter account – something to the effect of the amount of businesses that were created over the past decade that require zero percent financing is just wild. And they simply do not work when they have to pay anything to fund themselves. And he basically says a lot of them cannot transition, they cannot scale, they cannot make money when they have a real cost of capital, and they must go away. And I think that that is true. And I think that there are very few ways that we come out of this where those businesses actually are able to fund themselves at zero again and grow without profit.

The other great quote was Seth Klarman on indexation, where what he's talked about that ignorant bid, where people are buying these stocks at the worst time and when they shouldn't be. Again, if that runs itself in reverse, where people run away from beta, the indices could be really ugly and we could really see the inverse of what we've had for the past ten years of that constant bid for all of those areas. And so, I'd be really wary of those two red circles in there and think very hard about how to get exposure as you move out to the top right and the bottom left. So, with that, I'll turn it back to Peter and Chris and see if they have any concluding comments before we do some Q&A.

Peter Doyle: No. James, I thought that was just absolutely fabulous and I encourage everyone to go back over these slides, and it I think they tell an important story. I mean, not necessary a great story but it kind of tells the story of where we are in the world and there's a lot to be concerned about. A very tricky time. You need to be very careful about how you navigate this. And I think we're positioned well. That said – and I will repeat this again – there is price risk in our portfolios but there's not necessarily a tremendous amount of financial risk. So, if everything goes to hell in a handbasket and the correlations go to one, a number of our names will get hit, but the underlying businesses themselves are actually doing quite well.

And, in fact, we're going to come out with a number of things on the companies that we own showing the metrics of how they've improved over the last year and how they've actually gotten cheaper relative to the broader stock market, and I think that's really what we focus on. It's what Sandy Gottesman focused on, it's what Warren Buffet focused on. So, if you do that over the long term, you end up with great results.

Chris Bell: Thank you, Peter. Thank you, James. Great presentation. Again, if you'd like to get copies of the slides, please reach out to us and we're happy to send them to you.

I have one question that came to us concerning a Luke Roman tweet, James, and I was talking to you about it earlier – what you think the potential for oil from Russia to be sold to India and China using some other means, other than dollars or rubles, perhaps gold. You mentioned that you thought that that wasn't possible.

James Davolos: Yeah, I mean, I think it's been no secret for a long time now, the amount of physical gold – I'm assuming that the Saudis are not going to accept paper certificates for gold in exchange for their oil – there's just not enough physical gold. The London Mercantile Exchange didn't have enough physical for many years. I don't know about U.S. gold dealers... But, throughout the gold cycle, going up over $2,000 back down to $1,700 and kind of everywhere in the middle, the story's always been that physical was wildly tight regardless of what's going on in paper markets.

I just don't see any way that you can subvert that, unless they wanted to spike the price, because gold would double overnight if they did that. But, again, I think that there's an interesting piece from Zoltan Pozsar, where he talks about a new Bretton Woods III framework where, at a certain point, if you're Saudi Arabia, if you're Russia selling energy, or if you are India or any of these agrarian economies that are exporting grains and you're expecting us to trade you fiat, which is depreciating rapidly, for your scarce and finite goods, they're going to push back on that at some point. And I don't know what form of pushback it's going to be, but if I were them I'd be working very hard to figure out a way to stop taking depreciating paper for my goods, and I think that they are.

Chris Bell: Thanks, James. That was good. Peter, I had a question about the network of bitcoin and the mining difficulty rating and how much it's been expanding and actually quite a large difficulty adjustment last week. I don't know, can you comment on that?

Peter Doyle: Sure. It just means that more people are adding hashing to the network. I think it went up by 13% in the recent adjustment. So, again, if you're looking at the underlying fundamentals of that network, again, a bitcoin is nothing more than a bit, but the actual capital that's going into it and providing stability to that network continues to grow. And if you paid attention to bitcoin more recently, the volatility actually started to come down very dramatically. It's actually been less than stocks and bonds over the last several months. And if you look at, let's say, the 30-year bond in the U.K., up through yesterday it was down 52%. That's allegedly kind of a risk-free asset, obviously not very risk-free. If you look at Japanese bonds, in the last three days, there have actually been no bids for Japanese bonds. And the government over there is basically controlling the market. They own 42% and they're monetizing their debt. And if they ever allowed the interest rates to rise to a natural level, it would bankrupt that country.

So, a lot of things to be concerned about. Again, I think it is a very tricky environment. I think we're well positioned and we're just going to let things play out.

Chris Bell: We have a question about what our thoughts are on various coal equities. I guess thermo coal and metallurgic coal. I know we don't currently own any in the mutual funds, right, James?

James Davolos: Thermal coal is a critical fuel source for power generation – mostly in emerging markets, but plenty of coal generation in developed Europe, even here in the United States. The problem is coal doesn't have an efficient density of energy and it's very dirty. It's just people, for whatever reason, have foregone more reliable, clean fossil fuels for intermittent fuels and that's why we're in a vast shortage. I don't know when that's going to correct itself, but it's a really tricky investment theme.

But if you want to go there, I would say look at Australia because their small caps are trading at 1x cash flow – if you assume Newcastle Coal at like, $400 and $450, so, if you can get your money out in a year, then the rest is free money for you. I think that's a place to start. But it has to correct at some point. It's not one of these structural things. Because there is a lot of coal in the world and we can get it out. It's just a really tough investment theme. But if you have other really great assets that are supporting the core of the business, and then kind of a runoff coal business that's just cash flow and you're deleveraging, like at Glencore, for example that's a pretty interesting way to play it as well, because it's all copper, zinc, aluminum, nickel behind it.

Chris Bell: Thank you, James. We've got a question about what we think would likely be the breaking point that leads to a Fed pivot. And given all of the information, financial holdings information that James spoke about today on the webinar, I think we kind of answered that question. But I don't know if you want to comment – or, James, if you want to comment more about that.

James Davolos: I'll just say quickly, and I'll see if Peter has more thoughts, but I think that the U.S. Federal Reserve and U.S. politicians are terrified of credit issues. Because when you have credit issues, it becomes a crisis and a liquidity crisis very quickly. So, I think that they don't care if profit with tech stocks goes to zero. Honestly, they don't. What they get really scared about is if you start seeing big losses, actual defaults, bonds not getting placed, refinancings that actually can't get done. That's where I think that there is a systemic risk, and I think that that's where they have no choice but to pivot. You're seeing it in the U.K. and you're seeing it in Japan, where they had to step in.

One thing I'm looking at is the global pension and endowment system because, again, they have required payout ratios, required funding requirements. And if you're down 20% and change on your debt – and, again, that's mark to market but you've got to wait six years to get that principal back – and then you're down 20-25%, something like that in your equities and you probably have Disneyland marks on your private equity and venture capital if they're down anything less than 30-50%. And then if someone were to come in and ask how funded you are and what your assumptions are to fund these liabilities, the thing to come to mind for me would be mostly – you know, CalPERS and CalSTRS in California have been playing in Fairyland for years. But now that the debt has been written down like this, equities are down – I think that, last I looked, they were assuming like a 4% on debt and like a 10% on equity.

So, I think that that can be something where – it's not going to come from within the financial system, but it can come from an outside auditor or somebody who represents these workers and says, hang on a second, this is not adding up and something not good is going on here. So, that's what I'm really looking at. And maybe they'll just say, we'll kick the can down the road because it will mature at par, but that looks like something that could be an issue. You know, you're seeing it in the U.K. with a lot of pensions and trusts that were laddering levered gilts. I'm hearing stories about pension liability insurance or pension trustee insurance premiums spiking – where basically it's like director and officer insurance for people that manage pensions. And if pensioners of these places are worried about getting paid, I mean, that's one way to get politicians to pivot real quick.

So, I think that's the first wave that I'm looking at. But there are also things you can look at in auto loans, again floating rate real estate debt where their rate caps now make the property uneconomic, and if they switch to a fixed low at 6% and they bought multifamily or industrial properties at 5%, you know, that math doesn't work. So, those are things I'm looking at now.

Chris Bell: There's a question on Civeo.

James Davolos: Civeo is doing great and they're still, you know, in stage two or three of the cycle. So, if you look at their cash flow and how it can scale as occupancy, average daily rates per room go up – and this has not started yet. It's basically just recovered and stabilized. If you start seeing actual growth and recommitment to Canadian energy, which I would argue is pretty darn important today, given where the world's getting basically 12 million barrels a day, 3 million in exports, you know, if you want to basically have geopolitically stable energy – and there's a lot more than bitumen up there and there are cleaner ways to get bitumen, and we really need Canadian LNG. So, I think they can do close to $100 million of cash flow versus a $350 million market cap. Put that scale to $200 or $300 million, yeah, in certain scenarios. So, the cheapness is working for you while you wait and see if this theory comes to fruition.

Chris Bell: Given that there are no more questions and we're approaching an hour, I'd like to see if Peter would like to say a word.

Peter Doyle: No, I would just say that, you know, back to the earlier question regarding what we're looking at. I think the Federal Reserve would love to stop right now and would love to pivot. Unfortunately, if they continue on this path, and continue to increase rates, they run the risk of bringing down the entire global financial system. And if they don't show that they're serious about inflation, they lose their credibility and the dollar will basically come down very aggressively at that point as well, and who knows what might unravel there?

So, it's not a great position to be in. I think they're going to be numbers-driven for at least the next rate hike, and that's likely to occur in November, and who knows that could cause? There's already a lot of pain out there right now. You can just see an absolute freefall. So, interesting times.

Chris Bell: Thank you, Peter, and with that we'll say goodbye. Thanks for listening and please join us for our next webinar in January.

The Kinetics Alternative Income Fund

3Q 2022

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $6.9 billion in assets as of 09/30/2022.
- Oversees investments in mutual funds, separate accounts and alternative products.
- Investment decisions based on fundamental research, all of which is conducted in-house.
- Horizon Kinetics Asset Management is the Fund's adviser. Previously, Kinetics Asset Management was the Fund's adviser.

Portfolio Management Team

Murray Stahl
Chief Investment Officer
44 years of management experience
Co-Manager of Fund since 2012

Matt Houk
Co-Portfolio Manager
17 years of management experience
Co-Manager of Fund since 2015

Class Information

Class	Ticker	Cusip	12b-1 fee
Adv. A	KWIAX	494613714	0.50%
Adv. C	KWICX	494613698	1.00%
Inst.	KWIIX	494613680	-
No Load	KWINX	494613722	-

Fund Characteristics

Total Net Assets	$7.4 million
Total Number of Positions*	5
Turnover Ratio	0.00%
Minimum Purchase	$2,500

*Calculated such that all securities issued by one issuer are counted as one position.

Portfolio Allocation

Investment Company	73.6%
Cash or Equivalent	26.4%

www.kineticsfunds.com

Alternative Income Fund Overview

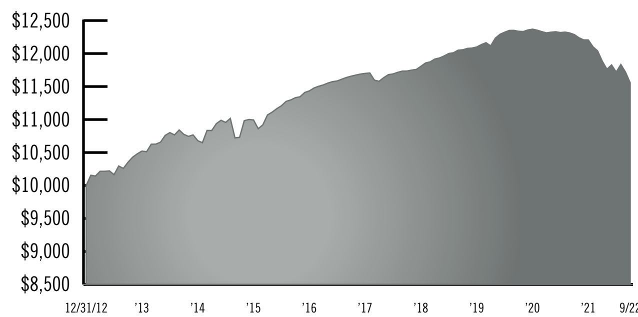
- A two-part investment strategy focused on generating income and capital gains in excess of traditional short duration, investment grade fixed income indexes.
- The strategy primarily invests in a diversified portfolio of short-term, investment grade bonds with an emphasis on liquidity, diversification, and lower interest rate or duration risk (1-3 years).
- A conservative equity option strategy supplements bond portfolio income via the collection of option premiums. Option exposures are allocated broadly across quality companies and indexes/exchange traded funds. The investment adviser seeks to mitigate incremental risks by selecting option strike prices that are below their underlying stock prices (out-of-the-money) and by limiting option notional exposures.

Historical Total Return (No-Load Class) as of 09/30/22

	2013	2014	2015	2016	2017	2018	2019	2020	2021	Since 1/1/13
Fund (KWINX)	5.2%	1.5%	2.9%	4.0%	2.3%	0.9%	2.5%	2.2%	-1.3%	1.5%

Growth of $10,000 Returns

$11,558



Statistics

	Fund
Beta	0.19
Standard Deviation	2.15
Sharpe Ratio	0.36

Equity Option Overview

Option Statistics

Notional % of Portfolio with Put Options	0
Average Life of Options (days)	N/A
Average Option % Moneyness	N/A
Average Option Delta	N/A

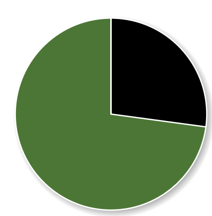
Fixed Income Overview

Fixed Income Statistics

Average Duration (years)	1.79
Average Maturity (years)	2.04

Credit Quality (%)

A	73.6%
Cash	26.4%



The Kinetics Alternative Income Fund

3Q 2022

Performance (No-Load Class)

	3 Month	YTD	1YR	3YR	5YR	10YR	Since Inception
			Annualized Returns as of 09/30/22				
Alternative Income Fund (KWINX)	-1.38%	-5.31%	-5.94%	-1.40%	-0.17%	1.48%	0.20%

The Alternative Income Fund No Load Class inception date is 6/29/07. Performance prior to 1/1/13 reflects the Fund's prior investment objective and restrictions and may not be indicative of the Fund's prospective results. Figures include changes in principal value, reinvested dividends and capital gains distributions. Performance data quoted represents past performance and does not guarantee future results. Investment return and principal value will vary, and shares may be worth more or less at redemption than at original purchase. Call 1-800-930-3828 or visit us at www.kineticsfunds.com for the most recent month-end performance data. Current performance may be lower or higher than the performance data quoted. Performance data does not reflect the deduction of sales load or fee which, if reflected, would reduce the performance quoted. You will be charged a redemption fee equal to 2.00% of the net amount of the redemption if you redeem or exchange your shares 30 days or less after you purchase them.

Expense Ratios by Share Class

	Adv. A	Adv. C	No Load	Inst.
Gross	2.65%	3.15%	2.40%	2.35%
Net	1.25%	1.75%	1.00%	0.80%

The Gross expense ratios listed are as of 12/31/2021 as reported in the 4/30/2022 prospectus. The Fund's adviser voluntarily agreed to waive management fees and reimburse fund expenses so that net annual fund operating expenses do not exceed certain levels, not including acquired fund fees and expenses (AFFE), through May 1, 2023 and may be discontinued at any time by the Fund's adviser after May 1, 2023.

Definitions:

Average Put Option % Moneyness: % moneyness refers to a put option's strike price relative to the price of its underlying security in percentage terms. The average put option % moneyness is the average % moneyness for the option exposures weighted by each option's % of notional exposure. In-the-money (ITM) refers to a put option with a strike price that is above the underlying security's price. At-the-money (ATM) refers to a put option with a strike prices that is equal to the underlying security's price. Out-the-money (OTM) refers to a put option with a strike price that is below the underlying security's price. For example, a put option that is 5% OTM has a strike price that is 5% below the underlying security's price and a put option that is 5% ITM has a strike price that is 5% higher than the underlying security's price. **Beta:** A statistic that measures the volatility of the fund, as compared to the overall market. The market's beta is set at 1.00; therefore a beta higher than 1.00 is considered to be more volatile than the market, while a beta lower than 1.00 is considered to be less volatile. It is important to note that a low beta for a fund does not necessarily imply that the fund has a low level of volatility, a low beta signifies only that the fund's market-related risk is low. Beta has been calculated starting 12/31/12. **Delta:** A statistical measure relating the changes in an option's price to price changes of the option's underlying security. **Notional % of Portfolio with Put Options:** Represents the aggregate notional value of all written put options (strike price multiplied by the number of contracts) as a percentage of the portfolio's net assets, as of the stated date. **Sharpe Ratio:** A statistical measure that uses standard deviation and excess return to determine reward per unit of risk. A higher Sharpe ratio implies a better historical risk-adjusted performance. The Sharpe ratio has been calculated starting 12/31/12 using the 3-month treasury bill for the risk-free rate of return. **Standard Deviation:** A statistical measure of portfolio risk used to measure variability of total return around an average, over a specified period of time. The greater the standard deviation over the period, the wider the variability or range of returns and hence, the greater the fund's volatility. The standard deviation has been calculated starting 12/31/12. **Turnover Ratio:** A measure of how frequently assets within a fund are bought and sold by the managers represented over a one year period.

This Fund is classified as diversified; however, asset allocation/diversification does not guarantee profit or eliminate risk of loss.

Factsheet statistics that rely on Fund data prior to January 1, 2013 will reflect the Fund's prior investment objective and restrictions and may not be indicative of the Fund's current positioning or prospective results.

In April 2019, Kinetics Asset Management LLC ("KAM") and Kinetics Advisers, LLC ("KA") reorganized into Horizon Asset Management LLC ("HAM"), following which HAM was renamed Horizon Kinetics Asset Management LLC ("HKAM"). KAM, HAM and KA were all wholly-owned subsidiaries of Horizon Kinetics LLC, and HKAM will remain a wholly-owned subsidiary. HKAM is the Fund's adviser, previously, KAM was the Fund's adviser. Neither the portfolio managers of the Fund nor the Fund's investment objective and investment strategy have changed.

The Growth of $10,000 chart illustrates the performance of a hypothetical $10,000 investment made in No Load Class shares on 12/31/2012 in commencement with the investment objective change on that date. It assumes reinvestment of capital gains and dividends. This chart is not intended to imply any future performance.

The Top Sectors displayed represent a percentage of the net assets and excludes cash equivalents and other assets in excess of liabilities. For purposes of calculating the top percentage holdings of the fund, the top 10 equity and fixed income holdings are valued at their applicable market value.

You should consider the investment objectives, risks, charges and expenses of the fund carefully before investing. For a free copy of the fund's prospectus, which contains this and other information, visit our website at www.kineticsfunds.com or call 1-800-930-3828. You should read the prospectus carefully before you invest.

Past performance does not guarantee future results. You will be charged a redemption fee equal to 2.00% of the net amount of the redemption if you redeem or exchange your shares 30 days or less after you purchase them. In addition, investing in foreign securities involves more risk than just U.S. investments, including the risk of currency fluctuations, political and economic instability and differences in financial reporting standards. There may also be heightened risks investing in non-investment grade debt securities and the use of options. There are also risks associated with investing in small and medium sized companies. Non-investment grade debt securities, i.e., junk bonds, are subject to greater credit risk, price volatility and risk of loss than investment grade securities. Options contain special risks including the imperfect correlation between the value of the option and the value of the underlying asset. Unlike other investment companies that directly acquire and manage their own portfolios of securities, the Fund pursues its investment objective by investing all of its investable assets in a corresponding portfolio series of Kinetics Portfolios Trust.

Kinetics Mutual Funds, Inc
We Do *Our* Research

The Kinetics **Global** Fund

3Q 2022

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $6.9 billion in assets as of 09/30/2022.
- Oversees investments in mutual funds, separate accounts and alternative products.
- Investment decisions based on fundamental research, all of which is conducted in-house.
- Horizon Kinetics Asset Management is the Fund's adviser. Previously, Kinetics Asset Management was the Fund's adviser.

Portfolio Managers

Murray Stahl
Chief Investment Officer
44 years of management experience
Co-Manager of Fund since 2011

Steve Tuen, CFA
Co-Portfolio Manager
33 years of management experience
Co-Manager of Fund since 2003

Class Information

Class	Ticker	Cusip	12b-1 fee	Net	Gross
Adv. A	KGLAX	494613631	0.50%	1.64%	2.33%
Adv. C	KGLCX	494613623	1.00%	2.14%	2.83%
No Load	WWWEX	494613805	-	1.39%	2.08%

Fund Characteristics

Total Net Assets	$25.8 million
Total Number of Positions*	45
Turnover Ratio	52.00%
Investment Style	Global Equity
Market Cap Focus	All Cap
Minimum Purchase	$2,500

*Calculated such that all securities issued by one issuer are counted as one position.

Portfolio Allocation

Cash and Cash Equivalents	51.8%
Common Stocks	41.0%
Unit Investment Trust	7.1%
Other Investments	0.1%

www.kineticsfunds.com

Global Fund Overview

- Global Fund focuses on classic value investment opportunities worldwide with at least 40% of net assets in companies located outside the U.S.
- Seeks to identify unique business models with pricing dislocations
- On March 11, 2008 the Fund changed its name and investment mandate from the Internet Emerging Growth Fund to the Global Fund.

Performance (No-Load Class)

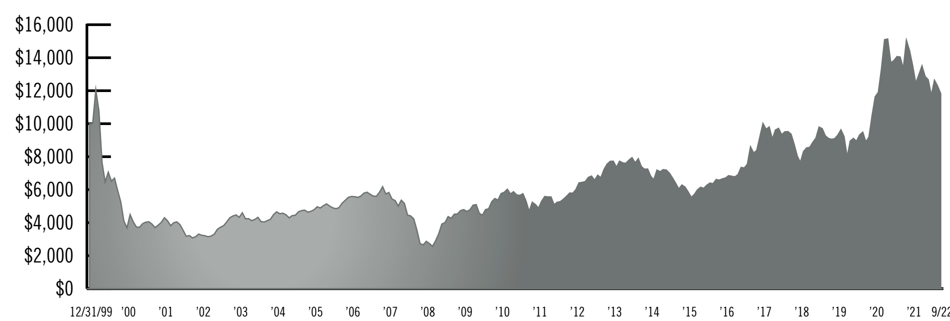
Annualized Returns as of 09/30/22

	3 Month	YTD	1YR	3YR	5YR	10YR	20YR	Since Inception
Fund (WWWEX)	0.99%	-12.65%	-11.32%	9.07%	7.52%	7.75%	6.95%	0.74%
S&P 500 Index	-4.88%	-23.87%	-15.47%	8.16%	9.24%	11.70%	9.84%	6.00%
MSCI ACW Index	-6.82%	-25.63%	-20.66%	3.75%	4.44%	7.28%	7.94%	4.08%

The Global Fund No Load Class inception date is 12/31/99. Figures include changes in principal value, reinvested dividends and capital gains distributions. Performance data quoted represents past performance and does not guarantee future results. Investment return and principal value will vary, and shares may be worth more or less at redemption than at original purchase. Call 1-800-930-3828 or visit us at www.kineticsfunds.com for the most recent month-end performance data. Current performance may be lower or higher than the performance data quoted. Performance data does not reflect the deduction of sales load or fee which, if reflected, would reduce the performance quoted. You will be charged a redemption fee equal to 2.00% of the net amount of the redemption if you redeem or exchange your shares 30 days or less after you purchase them.

Growth of $10,000 Returns Since Inception

$11,818



Top 10 Holdings (%) as of 09/30/22

Texas Pacific Land Corp.	19.8%
Grayscale Bitcoin Trust	6.8%
Permian Basin Royalty Trust	2.6%
Sandstorm Gold Ltd.	2.2%
Civeo Corp.	1.8%
Mesabi Trust	1.7%
Associated Capital Group, Inc. - Class A	1.5%
Clarkson plc	1.3%
PrairieSky Royalty Limited	1.1%
GAMCO Investors, Inc. - Class A	1.1%

Statistics

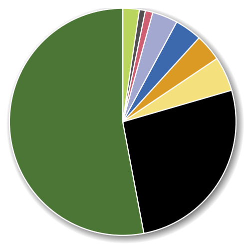
Statistics	Fund	S&P 500
Beta	0.88	1.00
Standard Deviation	21.90	15.79
Up Market Capture Ratio	0.84	-
Down Market Capture Ratio	1.05	-
Sharpe Ratio	-0.04	0.34
Weighted Avg. Mkt. Cap. ($mil)	$9,321	$468,649
Median Market Cap. ($mil)	$994	$27,135
Price to Book	2.18	3.39
Price to Earnings	20.97	18.08
Return on Equity	36.19%	27.17%
Active Share	99.43%	-

Historical Total Return (No-Load Class) as of 09/30/22

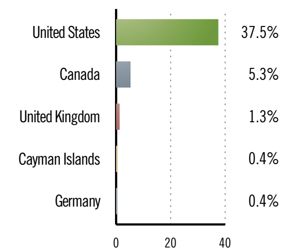
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fund (WWWEX)	-63.1%	16.5%	-24.7%	33.6%	7.7%	2.7%	16.9%	4.3%	-50.7%	66.9%	20.3%	-15.4%	23.2%	28.6%	-11.9%	-13.8%	14.4%	49.2%	-23.6%	21.6%	25.0%	16.3%
S&P 500 Index	-9.1%	-11.9%	-22.1%	28.7%	10.9%	4.9%	15.8%	5.5%	-37.0%	26.5%	15.1%	2.1%	16.0%	32.4%	13.7%	1.4%	12.0%	21.8%	-4.4%	31.5%	18.4%	28.7%
MSCI ACW Index	-14.2%	-16.2%	-19.3%	34.0%	15.2%	10.8%	21.0%	11.7%	-42.2%	34.6%	12.7%	-7.4%	16.1%	22.8%	4.2%	-2.4%	7.9%	24.0%	-9.4%	26.6%	16.3%	18.5%

Top 10 Sectors (%)

Mining, Quarrying, and Oil and Gas Extraction	24.8%
Finance and Insurance	12.4%
Management of Companies and Enterprises	2.3%
Accommodation and Food Services	1.8%
Transportation and Warehousing	1.8%
Real Estate and Rental and Leasing	1.7%
Machinery Manufacturing	0.5%
Live Sports (Spectator Sports)	0.4%
Real Estate	0.1%
Information	0.0%



Top Countries (%)



Definitions:

Active share: A measure of the percentage of holdings in a portfolio that differ from a benchmark index. It is calculated by taking the sum of the differences of the weight of each holding in the portfolio and the weight of each holding in the benchmark index and dividing by two. Active share is measured against the iShares S&P 500 ETF. **Beta:** A statistic that measures the volatility of the fund, as compared to the overall market. The market's beta is set at 1.00; therefore a beta higher than 1.00 is considered to be more volatile than the market, while a beta lower than 1.00 is considered to be less volatile. It is important to note that a low beta for a fund does not necessarily imply that the fund has a low level of volatility, a low beta signifies only that the fund's market-related risk is low. **Down Market Capture Ratio:** A statistical measure of an investment manager's overall performance in down-markets. The down-market capture ratio is used to evaluate how well or poorly an investment manager performed relative to an index during periods when that index has dropped. The down-market capture ratio has been calculated since inception. **Median Market Capitalization:** The median market capitalization (value of outstanding shares) of a basket of stocks. **Price to Book Ratio:** The harmonic weighted average of the price/book (P/B) ratios of the equity securities referenced. The ratio calculated by dividing the current price of the stock by the company's book value per share (assets minus liabilities). **Price to Earnings Ratio:** The harmonic weighted average of the price/earnings (P/E) ratios of the equity securities referenced. The P/E ratio is calculated by dividing the current price of the stock by the trailing one year earnings. **Return on Equity:** The amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested. **Sharpe Ratio:** A statistical measure that uses standard deviation and excess return to determine reward per unit of risk. A higher Sharpe ratio implies a better historical risk-adjusted performance. The Sharpe ratio has been calculated since inception using the 3-month treasury bill for the risk-free rate of return. **Standard Deviation:** A statistical measure of portfolio risk used to measure variability of total return around an average, over a specified period of time. The greater the standard deviation over the period, the wider the variability or range of returns and hence, the greater the fund's volatility. The standard deviation has been calculated since inception. **Turnover Ratio:** A measure of how frequently assets within a fund are bought and sold by the managers represented over a one year period. **Up Market Capture Ratio:** A statistical measure of an investment manager's overall performance in up-markets. The up-market capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen. The up-market capture ratio has been calculated since inception. **Weighted Avg. Mkt. Cap:** The mean market capitalization (value of outstanding shares) of a basket of stocks, taking into account the relative weight of each investment.

The Gross expense ratios listed are as of 12/31/2021 as reported in the 4/30/2022 prospectus. The Fund's adviser voluntarily agreed to waive management fees and reimburse fund expenses so that net annual fund operating expenses do not exceed certain levels, not including acquired fund fees and expenses (AFFE), through May 1, 2023 and may be discontinued at any time by the Fund's adviser after May 1, 2023.

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The Growth of $10,000 chart illustrates the performance of a hypothetical $10,000 investment made in No Load Class shares on commencement of operations (12/31/99). It assumes reinvestment of capital gains and dividends. This chart is not intended to imply any future performance.

Holdings are expressed as a percentage of total net investments and may vary over time. Equity holdings are subject to change, and may not be indicative of actual market position due to the use of call and put options.

The Top 10 Sectors and Top Countries displayed represent a percentage of the net assets and excludes cash equivalents and other assets in excess of liabilities.

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The Fund holds investments that provide exposure to bitcoin. The value of bitcoins is determined by the supply of and demand for bitcoins in the global market for the trading of bitcoins, which consists of transactions on electronic bitcoin exchanges ("Bitcoin Exchanges"). Pricing on Bitcoin Exchanges and other venues can be volatile and can adversely affect the value of the bitcoin. Currently, there is relatively small use of bitcoins in the retail and commercial marketplace in comparison to the relatively large use of bitcoins by speculators, thus contributing to price volatility that could adversely affect a portfolio's direct or indirect investments in bitcoin. Bitcoin transactions are irrevocable, and stolen or incorrectly transferred bitcoins may be irretrievable. As a result, any incorrectly executed bitcoin transactions could adversely affect the value of a portfolio's direct or indirect investment in bitcoin. Only investors who can appreciate the risks associated with an investment should invest in cryptocurrencies or products that offer cryptocurrency exposure. As with all investments, investors should consult with their investment, legal and tax professionals before investing, as you may lose money.

S&P 500 Index statistics chart data is based on the iShares S&P 500 Index Fund for market cap, price to book, price to earnings, return on equity, and active share. iShares is a product of BlackRock, Inc.

The MSCI ACWI (All Country World Index) Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The Standard & Poor's 500 Index represents an unmanaged, broad-based basket of stocks. It is typically used as a proxy for overall market performance. The S&P 500 Index returns assumes that dividends are reinvested. An investor cannot invest directly in an index.

Distributor: Kinetics Funds Distributor LLC is not an affiliate of Kinetics Mutual Funds, Inc.

Kinetics Mutual Funds, Inc.
We Do *Our* Research

The Kinetics **Internet** Fund

3Q 2022

Horizon Kinetics Asset Management LLC

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- Horizon Kinetics Asset Management is the Fund's adviser. Previously, Kinetics Asset Management was the Fund's adviser.

Portfolio Managers

Murray Stahl
Chief Investment Officer
44 years of management experience
Co-Manager of Fund since 1999

Peter Doyle
Senior Portfolio Manager
37 years of management experience
Co-Manager of Fund since 1999

James Davolos
Co-Portfolio Manager
17 years of management experience
Co-Manager of Fund since 2010

Class Information

Class	Ticker	Cusip	12b-1 fee	Net	Gross
Adv. A	KINAX	494613862	0.50%	1.96%	1.96%
Adv. C	KINCX	494613763	1.00%	2.46%	2.46%
No Load	WWWFX	460953102	-	1.71%	1.71%

Fund Characteristics

Total Net Assets	$144.7 million
Total Number of Positions*	27
Turnover Ratio	22.00%
Investment Style	Global Equity
Market Cap Focus	All Cap
Minimum Purchase	$2,500

*Calculated such that all securities issued by one issuer are counted as one position.

Portfolio Allocation

Common Stocks	44.7%
Cash and Cash Equivalents	38.4%
Unit Investment Trust	16.9%

www.kineticsfunds.com

Internet Fund Overview

- A fund that invests in undervalued companies participating in the growth of the Internet.
- Focused not only on investing in traditional technology companies, but also those that provide new kinds of services or products made possible by development or improvement of Internet-related technologies within a variety of sectors.
- Favor companies with strong alignment of interest and high barriers to entry, such as growing information library, scalability and network/adoption.

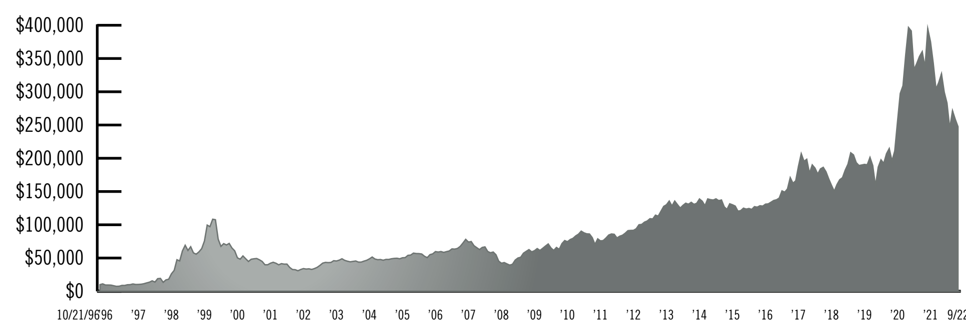
Performance (No-Load Class)

	3 Month	YTD	Annualized Returns as of 09/30/22 1YR	3YR	5YR	10YR	20YR	Since Inception
Fund (WWWFX)	1.09%	-27.87%	-26.48%	9.37%	8.78%	10.50%	10.97%	13.17%
S&P 500 Index	-4.88%	-23.87%	-15.47%	8.16%	9.24%	11.70%	9.84%	8.44%
NASDAQ Composite Index	-4.11%	-32.40%	-26.81%	9.75%	10.24%	13.00%	11.63%	8.63%

The Internet Fund No Load Class inception date is 10/21/96. Figures include changes in principal value, reinvested dividends and capital gains distributions. Performance data quoted represents past performance and does not guarantee future results. Investment return and principal value will vary, and shares may be worth more or less at redemption than at original purchase. Call 1-800-930-3828 or visit us at www.kineticsfunds.com for the most recent month-end performance data. Current performance may be lower or higher than the performance data quoted. Performance data does not reflect the deduction of sales load or fee which, if reflected, would reduce the performance quoted. You will be charged a redemption fee equal to 2.00% of the net amount of the redemption if you redeem or exchange your shares 30 days or less after you purchase them.

Growth of $10,000 Returns Since Inception

$247,470



Top 10 Holdings (%) as of 09/30/22

Texas Pacific Land Corp.	25.8%
Grayscale Bitcoin Trust	16.9%
CACI International, Inc. - Class A	7.2%
OTC Markets Group, Inc. - Class A	4.6%
Miami International Holdings, Inc.	1.4%
MasterCard, Inc. - Class A	1.2%
Verisk Analytics, Inc.	0.8%
Liberty Media Corp.-Liberty Formula One - Class A	0.7%
CME Group, Inc.	0.5%
Galaxy Digital Holdings Ltd.	0.4%

Statistics

Statistics	Fund	S&P 500
Beta	1.15	1.00
Standard Deviation	29.98	15.98
Up Market Capture Ratio	1.32	-
Down Market Capture Ratio	1.16	-
Sharpe Ratio	0.36	0.46
Weighted Avg. Mkt. Cap. ($mil)	$18,964	$468,649
Median Market Cap. ($mil)	$1,509	$27,135
Price to Book	1.84	3.39
Price to Earnings	26.62	18.08
Return on Equity	39.18%	27.17%
Active Share	98.36%	-

The Kinetics **Internet** Fund

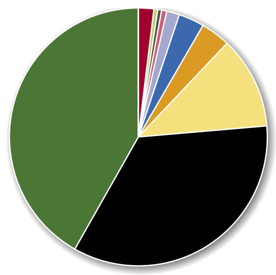
3Q 2022

Historical Total Return (No-Load Class) as of 09/30/22

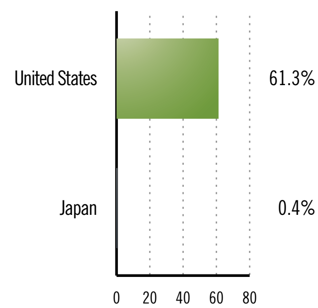
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fund (WWWFX)	-51.5%	-9.6%	-23.4%	40.1%	10.1%	-1.7%	16.5%	26.8%	-42.2%	48.6%	21.2%	-2.0%	23.2%	44.3%	-0.2%	-5.4%	2.6%	57.4%	-27.3%	26.5%	56.4%	15.4%
S&P 500 Index	-9.1%	-11.9%	-22.1%	28.7%	10.9%	4.9%	15.8%	5.5%	-37.0%	26.5%	15.1%	2.1%	16.0%	32.4%	13.7%	1.4%	12.0%	21.8%	-4.4%	31.5%	18.4%	28.7%
NASDAQ Composite Index	-39.3%	-21.1%	-31.5%	50.0%	8.6%	1.4%	9.5%	9.8%	-40.5%	43.9%	16.9%	-1.8%	15.9%	38.3%	13.4%	5.7%	7.5%	28.2%	-3.9%	35.2%	43.6%	21.4%

Top 10 Industries (%)

Oil and Gas Extraction	26.0%
Sec., Cmmdty Contracts, and Other Fin. Inv. and Rel. Act.	21.5%
Aerospace and Defense	7.2%
Data Processing, Hosting, and Related Services	2.3%
Securities and Commodities Exchanges	2.0%
Spectator Sports	1.0%
Management of Companies and Enterprises	0.4%
Other Professional, Scientific, and Technical Services	0.3%
Funds, Trusts, and Other Financial Vehicles	0.3%
Other Information Services	0.2%



Top Countries (%)



Definitions:

Active share: A measure of the percentage of holdings in a portfolio that differ from a benchmark index. It is calculated by taking the sum of the differences of the weight of each holding in the portfolio and the weight of each holding in the benchmark index and dividing by two. Active share is measured against the iShares S&P 500 ETF. **Beta:** A statistic that measures the volatility of the fund, as compared to the overall market. The market's beta is set at 1.00; therefore a beta higher than 1.00 is considered to be more volatile than the market, while a beta lower than 1.00 is considered to be less volatile. It is important to note that a low beta for a fund does not necessarily imply that the fund has a low level of volatility, a low beta signifies only that the fund's market-related risk is low. **Down Market Capture Ratio:** A statistical measure of an investment manager's overall performance in down-markets. The down-market capture ratio is used to evaluate how well or poorly an investment manager performed relative to an index during periods when that index has dropped. The down-market capture ratio has been calculated since 11/01/96. **Median Market Capitalization:** The median market capitalization (value of outstanding shares) of a basket of stocks. **Price to Book Ratio:** The harmonic weighted average of the price/book (P/B) ratios of the equity securities referenced. The ratio calculated by dividing the current price of the stock by the company's book value per share (assets minus liabilities). **Price to Earnings Ratio:** The harmonic weighted average of the price/earnings (P/E) ratios of the equity securities referenced. The P/E ratio is calculated by dividing the current price of the stock by the trailing one year earnings. **Return on Equity:** The amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested. **Sharpe Ratio:** A statistical measure that uses standard deviation and excess return to determine reward per unit of risk. A higher Sharpe ratio implies a better historical risk-adjusted performance. The Sharpe ratio has been calculated since 11/01/96 using the 3-month treasury bill for the risk-free rate of return. **Standard Deviation:** A statistical measure of portfolio risk used to measure variability of total return around an average, over a specified period of time. The greater the standard deviation over the period, the wider the variability or range of returns and hence, the greater the fund's volatility. The standard deviation has been calculated since 11/01/96. **Turnover Ratio:** A measure of how frequently assets within a fund are bought and sold by the managers represented over a one year period. **Up Market Capture Ratio:** A statistical measure of an investment manager's overall performance in up-markets. The up-market capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen. The up-market capture ratio has been calculated since 11/01/96. **Weighted Avg. Mkt. Cap:** The mean market capitalization (value of outstanding shares) of a basket of stocks, taking into account the relative weight of each investment.

The Gross expense ratios listed are as of 12/31/2021 as reported in the 4/30/2022 prospectus. The Fund's adviser voluntarily agreed to waive management fees and reimburse fund expenses so that net annual fund operating expenses do not exceed certain levels, not including acquired fund fees and expenses (AFFE), through May 1, 2023 and may be discontinued at any time by the Fund's adviser after May 1, 2023.

In April 2019, Kinetics Asset Management LLC ("KAM") and Kinetics Advisers, LLC ("KA") reorganized into Horizon Asset Management LLC ("HAM"), following which HAM was renamed Horizon Kinetics Asset Management LLC ("HKAM"). KAM, HAM and KA were all wholly-owned subsidiaries of Horizon Kinetics LLC, and HKAM will remain a wholly-owned subsidiary. HKAM is the Fund's adviser, previously, KAM was the Fund's adviser. Neither the portfolio managers of the Fund nor the Fund's investment objective and investment strategy have changed.

The Growth of $10,000 chart illustrates the performance of a hypothetical $10,000 investment made in No Load Class shares on commencement of operations (10/21/96). It assumes reinvestment of capital gains and dividends. This chart is not intended to imply any future performance.

Holdings are expressed as a percentage of total net investments and may vary over time. Equity holdings are subject to change, and may not be indicative of actual market position due to the use of call and put options.

The Top 10 Industries and Top Countries displayed represent a percentage of the net assets and excludes cash equivalents and other assets in excess of liabilities.

You should consider the investment objectives, risks, charges and expenses of the fund carefully before investing. For a free copy of the fund's prospectus, which contains this and other information, visit our website at www.kineticsfunds.com or call 1-800-930-3828. You should read the prospectus carefully before you invest.

As a non-diversified fund, the value of its shares may fluctuate more than shares invested in a broader range of companies. In addition, investing in foreign securities involves more risk than just U.S. investments, including the risk of currency fluctuations, political and economic instability and differences in financial reporting standards. There may also be heightened risks investing in non-investment grade debt securities and the use of options. There are also risks associated with investing in small and medium sized companies. Non-investment grade debt securities, i.e., junk bonds, are subject to greater credit risk, price volatility and risk of loss than investment grade securities. Options contain special risks including the imperfect correlation between the value of the option and the value of the underlying asset. Furthermore, Internet stocks are subject to a rate of change in technology obsolescence and competition that is generally higher than that of other industries, and have experienced extreme price and volume fluctuations. Unlike other investment companies that directly acquire and manage their own portfolios of securities, the Fund pursues its investment objective by investing all of its investable assets in a corresponding portfolio series of Kinetics Portfolios Trust.

The Fund holds investments that provide exposure to bitcoin. The value of bitcoins is determined by the supply of and demand for bitcoins in the global market for the trading of bitcoins, which consists of transactions on electronic bitcoin exchanges ("Bitcoin Exchanges"). Pricing on Bitcoin Exchanges and other venues can be volatile and can adversely affect the value of the bitcoin. Currently, there is relatively small use of bitcoins in the retail and commercial marketplace in comparison to the relatively large use of bitcoins by speculators, thus contributing to price volatility that could adversely affect a portfolio's direct or indirect investments in bitcoin. Bitcoin transactions are irrevocable, and stolen or incorrectly transferred bitcoins may be irretrievable. As a result, any incorrectly executed bitcoin transactions could adversely affect the value of a portfolio's direct or indirect investment in bitcoin. Only investors who can appreciate the risks associated with an investment should invest in cryptocurrencies or products that offer cryptocurrency exposure. As with all investments, investors should consult with their investment, legal and tax professionals before investing, as you may lose money.

S&P 500 Index statistics chart data is based on the iShares S&P 500 Index Fund for market cap, price to book, price to earnings, return on equity, and active share. iShares is a product of BlackRock, Inc.

The NASDAQ Composite (NASDAQ) and the Standard & Poor's 500 Index (S&P 500) each represent an unmanaged, broad-based basket of stocks. They are typically used as a proxy for overall market performance. NASDAQ Composite returns stated above do NOT include reinvested dividends, while the S&P 500 Index returns assume that dividends are reinvested. An investor cannot invest directly in an index.

Kinetics Mutual Funds, Inc

We Do *Our* Research

The Kinetics **Market Opportunities** Fund

3Q 2022

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $6.9 billion in assets as of 09/30/2022.
- Oversees investments in mutual funds, separate accounts and alternative products.
- Investment decisions based on fundamental research, all of which is conducted in-house.
- Horizon Kinetics Asset Management is the Fund's adviser. Previously, Kinetics Asset Management was the Fund's adviser.

Portfolio Managers

Murray Stahl
Chief Investment Officer
44 years of management experience
Co-Manager of Fund since inception (2006)

Peter Doyle
Senior Portfolio Manager
37 years of management experience
Co-Manager of Fund since inception (2006)

Class Information

Class	Ticker	Cusip	12b-1 fee	Net	Gross
Adv. A	KMKAX	494613771	0.50%	1.65%	2.00%
Adv. C	KMKCX	494613730	1.00%	2.15%	2.50%
Inst.	KMKYX	494613615	-	1.20%	1.70%
No Load	KMKNX	494613789	-	1.40%	1.75%

Fund Characteristics

Total Net Assets	$126.7 million
Total Number of Positions*	58
Turnover Ratio	12.00%
Investment Style	Global Equity
Market Cap Focus	All Cap
Minimum Purchase	$2,500

*Calculated such that all securities issued by one issuer are counted as one position.

Portfolio Allocation

Common Stocks	65.5%
Cash and Cash Equivalents	28.7%
Unit Investment Trust	5.4%
Other Investments	0.2%
Preferred Stocks	0.2%

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Market Opportunities Fund Overview

- U.S. focused global fund invests in companies engaged in capital markets related activities and services, which trade at attractive valuations.
- Investments are focused on companies that generally benefit from increasing transactional volume or facilitating financial transactions without employing financial leverage or risking their own capital.
- Such companies tend to have high operating leverage, high returns on equity and scalability.

Performance (No-Load Class)

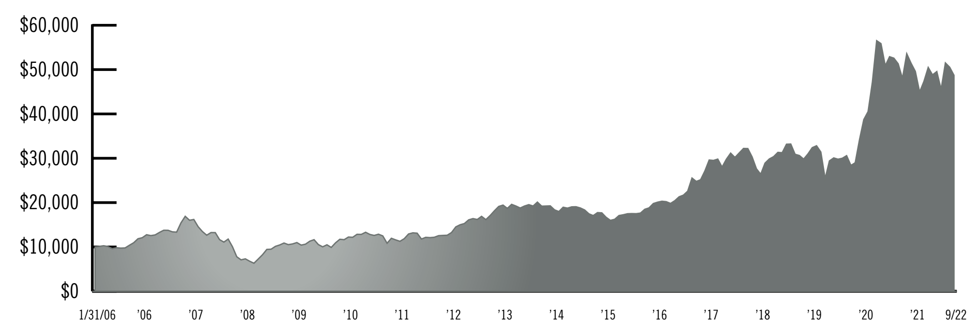
Annualized Returns as of 09/30/22

	3 Month	YTD	1YR	3YR	5YR	10YR	Since Inception
Fund (KMKNX)	7.00%	-1.77%	1.47%	16.74%	14.47%	14.53%	9.97%
S&P 500 Index	-4.88%	-23.87%	-15.47%	8.16%	9.24%	11.70%	8.55%
MSCI EAFE Index	-9.36%	-27.09%	-25.13%	-1.83%	-0.84%	3.67%	2.36%

The Market Opportunities Fund No Load Class inception date is 1/31/06. Figures include changes in principal value, reinvested dividends and capital gains distributions. Performance data quoted represents past performance and does not guarantee future results. Investment return and principal value will vary, and shares may be worth more or less at redemption than at original purchase. Call 1-800-930-3828 or visit us at www.kineticsfunds.com for the most recent month-end performance data. Current performance may be lower or higher than the performance data quoted. Performance data does not reflect the deduction of sales load or fee which, if reflected, would reduce the performance quoted. You will be charged a redemption fee equal to 2.00% of the net amount of the redemption if you redeem or exchange your shares 30 days or less after you purchase them.

Growth of $10,000 Returns Since Inception

$48,712



Top 10 Holdings (%) as of 09/30/22

Texas Pacific Land Corp.	51.0%
Grayscale Bitcoin Trust	5.4%
Associated Capital Group, Inc. - Class A	2.0%
Partners Value Investments LP	1.7%
IntercontinentalExchange Group, Inc.	0.9%
Franco-Nevada Corporation	0.8%
CME Group, Inc.	0.8%
Urbana Corporation - Class A	0.7%
Cboe Global Markets, Inc.	0.7%
Clarkson plc	0.7%

Statistics

Statistics	Fund	S&P 500
Beta	1.01	1.00
Standard Deviation	21.50	15.97
Up Market Capture Ratio	1.09	-
Down Market Capture Ratio	1.08	-
Sharpe Ratio	0.41	0.55
Weighted Avg. Mkt. Cap. ($mil)	$17,144	$468,649
Median Market Cap. ($mil)	$994	$27,135
Price to Book	3.84	3.39
Price to Earnings	29.67	18.08
Return on Equity	42.48%	27.17%
Active Share	98.31%	-

The Kinetics **Market Opportunities** Fund

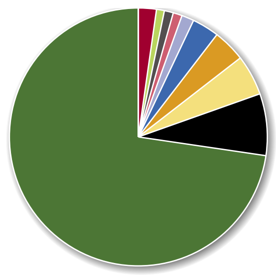
3Q 2022

Historical Total Return (No-Load Class) as of 09/30/22

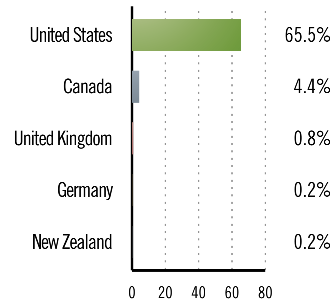
	2006*	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fund (KMKNX)	20.9%	34.0%	-54.8%	50.2%	11.3%	-7.9%	17.5%	46.7%	-5.6%	-9.1%	20.5%	47.3%	-10.9%	22.8%	19.6%	28.0%
S&P 500 Index	10.8%	5.5%	-37.0%	26.5%	15.1%	2.1%	16.0%	32.4%	13.7%	1.4%	12.0%	21.8%	-4.4%	31.5%	18.4%	28.7%
MSCI EAFE Index	20.9%	11.2%	-43.4%	31.8%	7.8%	-12.1%	17.3%	22.8%	-4.9%	-0.8%	1.0%	25.0%	-13.8%	22.0%	7.8%	11.3%

Top Industries (%)

Oil and Gas Extraction	51.6%
Sec., Cmmdty Contracts, and Other Fin. Inv. and Rel. Act.	5.5%
Securities and Commodities Exchanges	3.6%
Other Investment Pools and Funds	2.9%
Management of Companies and Enterprises	2.4%
Mining (except Oil and Gas)	1.1%
Global Exchanges	0.8%
Data Processing, Hosting, and Related Services	0.8%
Support Activities for Water Transportation	0.7%
Other Financial Investment Activities	0.6%



Top Countries (%)



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S&P 500 Index statistics chart data is based on the iShares S&P 500 Index Fund for market cap, price to book, price to earnings, return on equity, and active share. iShares is a product of BlackRock, Inc.

The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. The Standard & Poor's 500 Index represents an unmanaged, broad-based basket of stocks. It is typically used as a proxy for overall market performance. The S&P 500 Index returns assume that dividends are reinvested. An investor cannot invest directly in an index.

Distributor: Kinetics Funds Distributor LLC is not an affiliate of Kinetics Mutual Funds, Inc.

Kinetics Mutual Funds, Inc

We Do *Our* Research

The Kinetics **Medical** Fund

3Q 2022

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $6.9 billion in assets as of 09/30/2022.
- Oversees investments in mutual funds, separate accounts and alternative products.
- Investment decisions based on fundamental research, all of which is conducted in-house.
- Horizon Kinetics Asset Management is the Fund's adviser. Previously, Kinetics Asset Management was the Fund's adviser.

Portfolio Managers

Paul Abel
Co-Portfolio Manager
23 years of management experience
Manager of Fund since inception (1999)

Peter Doyle
Senior Portfolio Manager
37 years of management experience
Co-Manager of Fund since inception (1999)

Class Information

Class	Ticker	Cusip	12b-1 fee	Net	Gross
Adv. A	KRXAX	494613847	0.50%	1.64%	2.43%
Adv. C	KRXCX	494613755	1.00%	2.14%	2.92%
No Load	MEDRX	494613102	-	1.39%	2.18%

Fund Characteristics

Total Net Assets	$17.0 million
Total Number of Positions*	33
Turnover Ratio	3.00%
Investment Style	Global Equity
Market Cap Focus	All Cap
Minimum Purchase	$2,500

*Calculated such that all securities issued by one issuer are counted as one position.

Portfolio Allocation

Common Stocks	98.9%
Cash and Cash Equivalents	1.1%

www.kineticsfunds.com

Medical Fund Overview

- Invests in patented first line pharmaceuticals and biologics as these products tend to have high profit margins and significant barriers to entry.
- Employs a long-term perspective seeking to capture returns of both intrinsic valuation realization and scientific discovery.
- Bio-Pharma sector is relatively insensitive to economic turmoil, while novel research and development imply sustained growth.

Performance (No-Load Class)

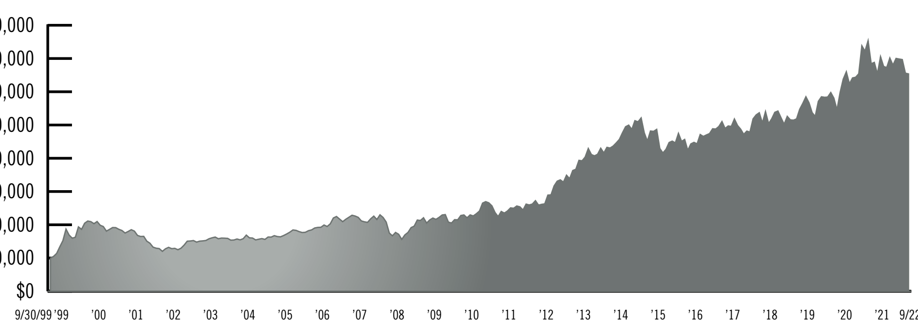
Annualized Returns as of 09/30/22

	3 Month	YTD	1YR	3YR	5YR	10YR	20YR	Since Inception
Fund (MEDRX)	-6.40%	-7.31%	-4.46%	8.04%	5.08%	9.15%	8.84%	8.51%
S&P 500 Index	-4.88%	-23.87%	-15.47%	8.16%	9.24%	11.70%	9.84%	6.57%
NASDAQ Composite Index	-4.11%	-32.40%	-26.81%	9.75%	10.24%	13.00%	11.63%	6.04%

The Medical Fund No Load Class inception date is 9/30/99. Figures include changes in principal value, reinvested dividends and capital gains distributions. Performance data quoted represents past performance and does not guarantee future results. Investment return and principal value will vary, and shares may be worth more or less at redemption than at original purchase. Call 1-800-930-3828 or visit us at www.kineticsfunds.com for the most recent month-end performance data. Current performance may be lower or higher than the performance data quoted. Performance data does not reflect the deduction of sales load or fee which, if reflected, would reduce the performance quoted. You will be charged a redemption fee equal to 2.00% of the net amount of the redemption if you redeem or exchange your shares 30 days or less after you purchase them.

Growth of $10,000 Returns Since Inception

$65,373



Top 10 Holdings (%) as of 09/30/22

Eli Lilly & Co.	10.5%
Bristol-Myers Squibb Company	9.8%
AbbVie, Inc.	7.9%
Pfizer, Inc.	7.7%
Merck & Co., Inc.	7.1%
Johnson & Johnson	6.7%
Novartis AG - ADR	6.3%
Biogen, Inc.	5.9%
AMGEN, Inc.	5.3%
AstraZeneca plc - ADR	4.5%

Statistics	Fund	S&P 500
Beta	0.60	1.00
Standard Deviation	16.83	15.79
Up Market Capture Ratio	0.80	-
Down Market Capture Ratio	0.63	-
Sharpe Ratio	0.41	0.38
Weighted Avg. Mkt. Cap. ($mil)	$166,909	$468,649
Median Market Cap. ($mil)	$26,169	$27,135
Price to Book	4.32	3.39
Price to Earnings	15.27	18.08
Return on Equity	33.67%	27.17%
Active Share	93.58%	-

The Kinetics **Medical** Fund

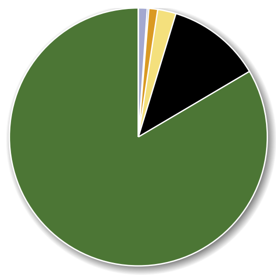
3Q 2022

Historical Total Return (No-Load Class) as of 09/30/22

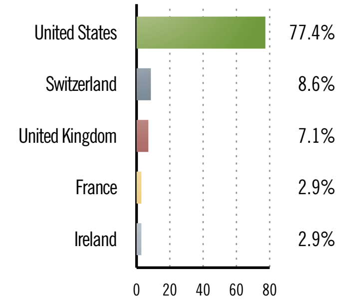
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fund (MEDRX)	57.0%	-13.8%	-29.1%	23.2%	7.0%	-0.7%	14.8%	15.5%	-20.4%	24.5%	4.3%	5.1%	8.9%	49.3%	16.4%	6.6%	-8.0%	10.7%	1.7%	16.0%	9.0%	10.6%
S&P 500 Index	-9.1%	-11.9%	-22.1%	28.7%	10.9%	4.9%	15.8%	5.5%	-37.0%	26.5%	15.1%	2.1%	16.0%	32.4%	13.7%	1.4%	12.0%	21.8%	-4.4%	31.5%	18.4%	28.7%
NASDAQ Composite Index	-39.3%	-21.1%	-31.5%	50.0%	8.6%	1.4%	9.5%	9.8%	-40.5%	43.9%	16.9%	-1.8%	15.9%	38.3%	13.4%	5.7%	7.5%	28.2%	-3.9%	35.2%	43.6%	21.4%

Top Industries (%)

Pharmaceutical and Medicine Manufacturing	83.4%
Chemical Manufacturing	11.8%
Professional, Scientific, and Technical Services	2.3%
Machinery Manufacturing	1.1%
Ambulatory Health Care Services	0.2%
Biotechnology	0.1%
Scientific Research and Development Services	0.0%



Top Countries (%)



Definitions:

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As a non-diversified fund, the value of its shares may fluctuate more than shares invested in a broader range of companies. In addition, investing in foreign securities involves more risk than just investing in U.S. investments, including the risk of currency fluctuations, political and economic instability and differences in financial reporting standards. There may also be heightened risks investing in non-investment grade debt securities and the use of options. There are also risks associated with investing in small and medium sized companies. Non-investment grade debt securities, i.e., junk bonds, are subject to greater credit risk, price volatility and risk of loss than investment grade securities. Options contain special risks including the imperfect correlation between the value of the option and the value of the underlying asset. Unlike other investment companies that directly acquire and manage their own portfolios of securities, the Fund pursues its investment objective by investing all of its investable assets in a corresponding portfolio series of Kinetics Portfolios Trust.

S&P 500 Index statistics chart data is based on the iShares S&P 500 Index Fund for market cap, price to book, price to earnings, return on equity, and active share. iShares is a product of BlackRock, Inc.

The NASDAQ Composite (NASDAQ) and the Standard & Poor's 500 Index (S&P 500) each represent an unmanaged, broad-based basket of stocks. They are typically used as a proxy for overall market performance. NASDAQ Composite returns stated above do NOT include reinvested dividends, while the S&P 500 Index returns assume that dividends are reinvested. An investor cannot invest directly in an index.

Distributor: Kinetics Funds Distributor LLC is not an affiliate of Kinetics Mutual Funds, Inc.

Kinetics Mutual Funds, Inc

We Do *Our* Research

Kinetics Multi-Disciplinary Income Fund

3Q 2022

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $6.9 billion in assets as of 09/30/2022.
- Oversees investments in mutual funds, separate accounts and alternative products.
- Investment decisions based on fundamental research, all of which is conducted in-house.
- Horizon Kinetics Asset Management is the Fund's adviser. Previously, Kinetics Asset Management was the Fund's adviser.

Portfolio Management Team

Murray Stahl
Chief Investment Officer
44 years of management experience
Co-Manager of Fund since inception (2008)

Matt Houk
Co-Portfolio Manager
17 years of management experience
Co-Manager of Fund since 2015

Class Information

Class	Ticker	Cusip	12b-1 fee
Adv. A	KMDAX	494613664	0.50%
Adv. C	KMDCX	494613656	1.00%
Inst.	KMDYX	494613649	-
No Load	KMDNX	494613672	-

Fund Characteristics

Total Net Assets	$17.6 million
Total Number of Positions*	6
Turnover Ratio	0.23%
Minimum Purchase	$2,500

*Calculated such that all securities issued by one issuer are counted as one position.

Portfolio Allocation

Cash and Cash Equivalents	86.1%
Other Investments	11.3%
Fixed Income	1.9%
Common Stocks	0.7%

www.kineticsfunds.com

Multi-Disciplinary Income Fund Overview

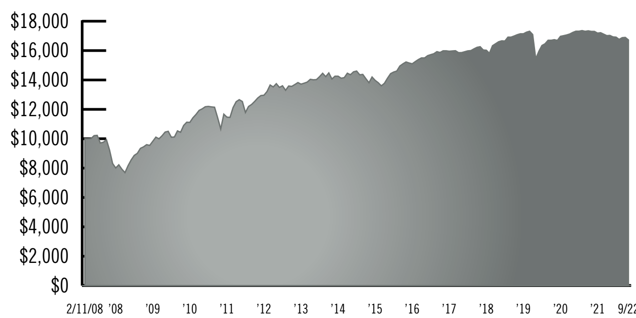
- Multi-strategy investment approach that opportunistically invests in income oriented securities and utilizes an equity option strategy which seeks to generate income and capital gains in excess of traditional fixed income indexes while assuming less interest rate risk or duration risk.
- Fixed income investments generally comprise limited duration securities, including investment grade and high yield bonds, and emphasize the avoidance of permanent capital losses.
- A selective equity option strategy supplements fixed income investments through the monetization of equity market volatility. The investment adviser aims to moderate incremental risks by selecting option strike prices that are below their underlying stock prices and by limiting option notional exposures.

Performance (No-Load Class)

	Annualized Returns as of 09/30/22							
	3 Month	YTD	1YR	3YR	5YR	10YR	Since Inception	5 Year Standard Deviation
Multi-Disciplinary Income Fund (KMDNX)	-0.22%	-2.85%	-3.34%	-0.70%	0.91%	2.73%	3.58%	5.42%

The Multi-Disciplinary Income Fund No Load Class inception date is 2/11/08. Performance data quoted represents past performance and does not guarantee future results. Investment return and principal value will vary, and shares may be worth more or less at redemption than at original purchase. Call 1-800-930-3828 or visit us at www.kineticsfunds.com for the most recent fund month-end performance data. Current performance may be lower or higher than the performance data quoted. Performance data does not reflect the deduction of sales load or fee which, if reflected, would reduce the performance quoted. You will be charged a redemption fee equal to 2.00% of the net amount of the redemption if you redeem or exchange your shares less than 30 days after you purchase them.

Growth of $10,000 Returns Since Inception — $16,726



Statistics	Fund
Beta	0.26
Standard Deviation	5.42
Up Market Capture Ratio	0.59
Down Market Capture Ratio	0.32
Sharpe Ratio	-0.05

Recent Fund Distributions**	Fund
Sep-2022	$0.00
Jun-2022	$0.00
Mar-2022	$0.00
Dec-2021	$0.00

Top Holdings (%) as of 09/30/22

PIMCO Dynamic Income Fund	71.0%
DoubleLine Opportunistic Credit Fund	4.2%
Ball Corporation	1.2%
Valaris Ltd.	0.7%
Branson Missouri Regional Airport Transportation Dev. Dist.	0.6%

Kinetics **Multi-Disciplinary Income** Fund

3Q 2022

Historical Total Return (No-Load Class) as of 09/30/22

	2008*	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fund (KMDNX)	-17.8%	22.9%	13.0%	0.2%	15.4%	4.3%	2.5%	-2.2%	10.4%	4.8%	-1.0%	9.1%	-1.4%	1.2%

*Cumulative return from Fund's inception to year-end.

Expense Ratios by Share Class

	Adv. A	Adv. C	No Load	Inst.
Gross	2.58%	3.08%	2.33%	2.28%
Net	1.97%	2.47%	1.72%	1.52%

The Gross expense ratios listed are as of 12/31/2021 as reported in the 4/30/2022 prospectus. The Fund's adviser voluntarily agreed to waive management fees and reimburse fund expenses so that net annual fund operating expenses do not exceed certain levels, not including acquired fund fees and expenses (AFFE), through May 1, 2023 and may be discontinued at any time by the Fund's adviser after May 1, 2023.

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**Distributions by the Fund are subject to change and may discontinue at any time without notice.

In April 2019, Kinetics Asset Management LLC ("KAM") and Kinetics Advisers, LLC ("KA") reorganized into Horizon Asset Management LLC ("HAM"), following which HAM was renamed Horizon Kinetics Asset Management LLC ("HKAM"). KAM, HAM and KA were all wholly-owned subsidiaries of Horizon Kinetics LLC, and HKAM will remain a wholly-owned subsidiary. HKAM is the Fund's adviser, previously, KAM was the Fund's adviser. Neither the portfolio managers of the Fund nor the Fund's investment objective and investment strategy have changed.

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The Top Sectors displayed represent a percentage of the net assets and excludes cash equivalents and other assets in excess of liabilities. For purposes of calculating the top percentage holdings of the fund, the top 10 equity and fixed income holdings are valued at their applicable market value. Fixed Income Statistics include details on instruments held directly by the Fund and do not include securities which may be held within a portfolio owned by the Fund.

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The Fund is classified as diversified; however, asset allocation/diversification does not guarantee a profit or eliminate risk of loss. In addition, investing in foreign securities involves more risk than just U.S. investments, including the risk of currency fluctuations, political and economic instability and differences in financial reporting standards. There may also be heightened risks investing in non-investment grade debt securities and the use of options. There are also risks associated with investing in small and medium sized companies. Non-investment grade debt securities, i.e., junk bonds, are subject to greater credit risk, price volatility and risk of loss than investment grade securities. Options contain special risks including the imperfect correlation between the value of the option and the value of the underlying asset. Unlike other investment companies that directly acquire and manage their own portfolios of securities, the Fund pursues its investment objective by investing all of its investable assets in a corresponding portfolio series of Kinetics Portfolios Trust.

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The Kinetics **Paradigm** Fund

3Q 2022

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $6.9 billion in assets as of 09/30/2022.
- Oversees investments in mutual funds, separate accounts and alternative products.
- Investment decisions based on fundamental research, all of which is conducted in-house.
- Horizon Kinetics Asset Management is the Fund's adviser. Previously, Kinetics Asset Management was the Fund's adviser.

Portfolio Managers

Murray Stahl
Chief Investment Officer
44 years of management experience
Co-Manager of Fund since inception (1999)

Peter Doyle
Senior Portfolio Manager
37 years of management experience
Co-Manager of fund since inception (1999)

Class Information

Class	Ticker	Cusip	12b-1 fee	Net	Gross
Adv. A	KNPAX	494613854	0.50%	1.89%	1.93%
Adv. C	KNPCX	494613821	1.00%	2.39%	2.43%
Inst.	KNPYX	494613797	-	1.44%	1.63%
No Load	WWNPX	494613607	-	1.64%	1.68%

Fund Characteristics

Total Net Assets	$899.4 million
Total Number of Positions*	53
Turnover Ratio	0.01%
Investment Style	Global Equity
Market Cap Focus	All Cap
Minimum Purchase	$2,500

*Calculated such that all securities issued by one issuer are counted as one position.

Portfolio Allocation

Common Stocks	88.0%
Cash and Cash Equivalents	9.6%
Unit Investment Trust	2.4%

Paradigm Fund Overview

- U.S. focused global all-cap fund comprised of investments in misunderstood or underappreciated companies whose businesses exhibit long product life cycles and have substantial barriers to entry.
- Proprietary in-house research sources original investment opportunities in companies for which investors fail to distinguish between permanent and transitory problems.
- The strategy seeks to capture long-term results commensurate with the returns of companies' underlying businesses, and has low turnover.

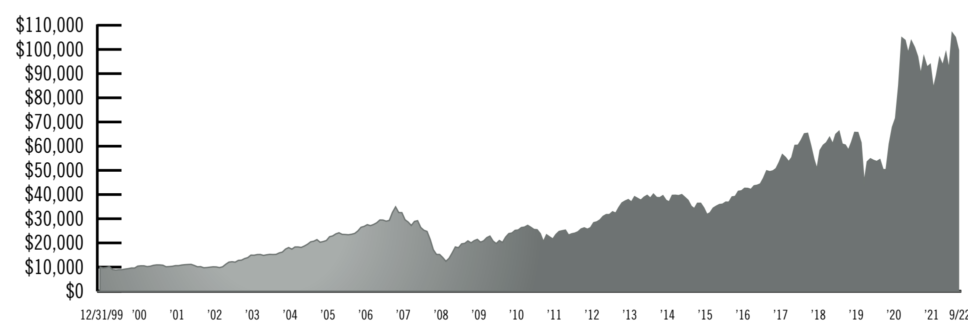
Performance (No-Load Class)

Annualized Returns as of 09/30/22

	3 Month	YTD	1YR	3YR	5YR	10YR	20YR	Since Inception
Fund (WWNPX)	9.02%	6.28%	11.42%	18.13%	15.05%	14.48%	12.34%	10.64%
S&P 500 Index	-4.88%	-23.87%	-15.47%	8.16%	9.24%	11.70%	9.84%	6.00%
MSCI ACW Index	-6.82%	-25.63%	-20.66%	3.75%	4.44%	7.28%	7.94%	4.08%

The Paradigm Fund No Load Class inception date is 12/31/99. Figures include changes in principal value, reinvested dividends and capital gains distributions. Performance data quoted represents past performance and does not guarantee future results. Investment return and principal value will vary, and shares may be worth more or less at redemption than at original purchase. Call 1-800-930-3828 or visit us at www.kineticsfunds.com for the most recent month-end performance data. Current performance may be lower or higher than the performance data quoted. Performance data does not reflect the deduction of the sales load or fee which, if reflected, would reduce the performance quoted. You will be charged a redemption fee equal to 2.00% of the net amount of the redemption if you redeem or exchange your shares 30 days or less after you purchase them.

Growth of $10,000 Returns Since Inception **$99,678**



Top 10 Holdings (%) as of 09/30/22

Texas Pacific Land Corp.	64.8%
Brookfield Asset Management, Inc. - Class A	3.7%
Grayscale Bitcoin Trust	2.5%
Live Nation Entertainment, Inc.	2.4%
Franco-Nevada Corporation	2.3%
The Howard Hughes Corporation	1.9%
CACI International, Inc. - Class A	1.3%
Icahn Enterprises LP	1.3%
Associated Capital Group, Inc. - Class A	1.1%
Liberty Broadband Corporation - Series C	0.9%

Statistics

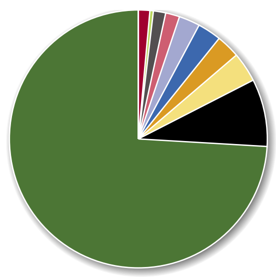
Statistics	Fund	S&P 500
Beta	0.97	1.00
Standard Deviation	20.53	15.79
Up Market Capture Ratio	1.11	-
Down Market Capture Ratio	0.91	-
Sharpe Ratio	0.44	0.34
Weighted Avg. Mkt. Cap. ($mil)	$15,195	$468,649
Median Market Cap. ($mil)	$8,783	$27,135
Price to Book	4.30	3.39
Price to Earnings	29.06	18.08
Return on Equity	38.21%	27.17%
Active Share	99.22%	-

Historical Total Return (No-Load Class) as of 09/30/22

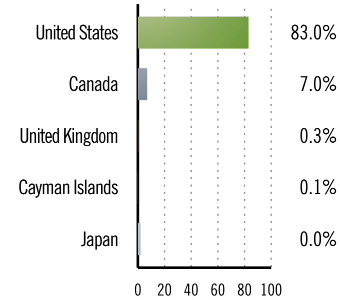
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fund (WWNPX)	4.0%	2.0%	-4.6%	47.8%	20.9%	16.1%	27.8%	21.1%	-53.2%	41.0%	17.4%	-14.3%	21.8%	44.1%	-0.8%	-8.3%	20.5%	28.4%	-5.6%	30.5%	3.3%	38.2%
S&P 500 Index	-9.1%	-11.9%	-22.1%	28.7%	10.9%	4.9%	15.8%	5.5%	-37.0%	26.5%	15.1%	2.1%	16.0%	32.4%	13.7%	1.4%	12.0%	21.8%	-4.4%	31.5%	18.4%	28.7%
MSCI ACW Index	-14.2%	-16.2%	-19.3%	34.0%	15.2%	10.8%	21.0%	11.7%	-42.2%	34.6%	12.7%	-7.4%	16.1%	22.8%	4.2%	-2.4%	7.9%	24.0%	-9.4%	26.6%	16.3%	18.5%

Top 10 Sectors (%)

Mining, Quarrying, and Oil and Gas Extraction	67.4%
Finance and Insurance	7.7%
Arts, Entertainment, and Recreation	3.4%
Information	2.7%
Real Estate and Rental and Leasing	2.7%
Management of Companies and Enterprises	2.4%
Accommodation and Food Services	1.6%
Professional, Scientific, and Technical Services	1.4%
Transportation and Warehousing	0.4%
Real Estate	0.3%



Top Countries (%)



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The Fund holds investments that provide exposure to bitcoin. The value of bitcoins is determined by the supply of and demand for bitcoins in the global market for the trading of bitcoins, which consists of transactions on electronic bitcoin exchanges ("Bitcoin Exchanges"). Pricing on Bitcoin Exchanges and other venues can be volatile and can adversely affect the value of the bitcoin. Currently, there is relatively small use of bitcoins in the retail and commercial marketplace in comparison to the relatively large use of bitcoins by speculators, thus contributing to price volatility that could adversely affect a portfolio's direct or indirect investments in bitcoin. Bitcoin transactions are irrevocable, and stolen or incorrectly transferred bitcoins may be irretrievable. As a result, any incorrectly executed bitcoin transactions could adversely affect the value of a portfolio's direct or indirect investment in bitcoin. Only investors who can appreciate the risks associated with an investment should invest in cryptocurrencies or products that offer cryptocurrency exposure. As with all investments, investors should consult with their investment, legal and tax professionals before investing, as you may lose money.

S&P 500 Index statistics chart data is based on the iShares S&P 500 Index Fund for market cap, price to book, price to earnings, return on equity, and active share. iShares is a product of BlackRock, Inc.

The MSCI ACWI (All Country World Index) Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The Standard & Poor's 500 Index represents an unmanaged, broad-based basket of stocks. It is typically used as a proxy for overall market performance. The S&P 500 Index returns assume that dividends are reinvested. An investor cannot invest directly in an index.

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Kinetics Mutual Funds, Inc

We Do *Our* Research

The Kinetics **Small Cap Opportunities** Fund

3Q 2022

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $6.9 billion in assets as of 09/30/2022.
- Oversees investments in mutual funds, separate accounts and alternative products.
- Investment decisions based on fundamental research, all of which is conducted in-house.
- Horizon Kinetics Asset Management is the Fund's adviser. Previously, Kinetics Asset Management was the Fund's adviser.

Portfolio Managers

Murray Stahl
Chief Investment Officer
44 years of management experience
Co-Manager of Fund since inception (2000)

Peter Doyle
Senior Portfolio Manager
37 years of management experience
Co-Manager of Fund since inception (2000)

Matt Houk
Co-Portfolio Manager
17 years of management experience
Co-Manager of Fund since 2011

Class Information

Class	Ticker	Cusip	12b-1 fee	Net	Gross
Adv. A	KSOAX	494613839	0.50%	1.89%	1.95%
Adv. C	KSOCX	494613748	1.00%	2.39%	2.45%
Inst.	KSCYX	494613813	-	1.44%	1.65%
No Load	KSCOX	494613706	-	1.64%	1.70%

Fund Characteristics

Total Net Assets	$325.0 million
Total Number of Positions*	48
Turnover Ratio	2.00%
Investment Style	Global Equity
Market Cap Focus	Small Cap
Minimum Purchase	$2,500

*Calculated such that all securities issued by one issuer are counted as one position.

Portfolio Allocation

Common Stocks	90.7%
Cash and Cash Equivalents	7.6%
Unit Investment Trust	1.4%
Other Investments	0.3%

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Small Cap Opportunities Fund Overview

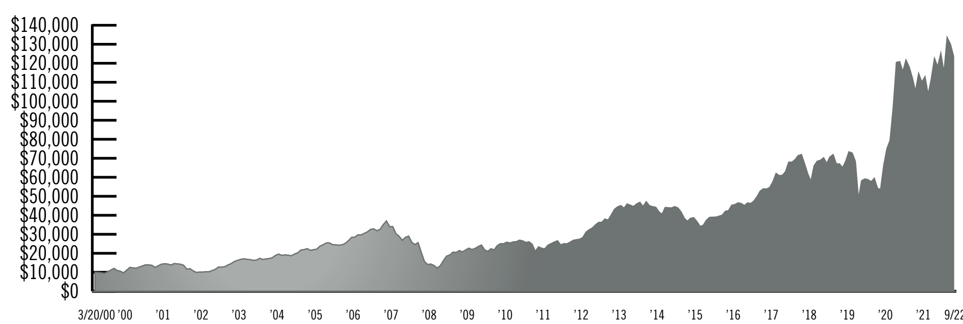
- U.S. focused global small-cap fund seeking to invest in fundamentally undervalued companies with market capitalizations at or below the highest market capitalization of a component security within the S&P SmallCap 600 Index.
- Investments are concentrated in companies that have a small capitalization with the potential to expand to higher valuations either through revaluation, growth or a combination thereof.
- Fund targets companies with substantial barriers to entry, long product life cycles and sound capital structures; on occasion companies may be less mature companies and in the process of developing a superior product or market niche.

Performance (No-Load Class)

	3 Month	YTD	Annualized Returns as of 09/30/22 1YR	3YR	5YR	10YR	20YR	Since Inception
Fund (KSCOX)	7.88%	9.65%	17.79%	22.67%	18.08%	16.52%	13.00%	11.81%
S&P SmallCap 600 Index	-5.20%	-23.16%	-18.83%	5.48%	4.84%	10.09%	10.41%	8.70%
S&P 500 TR	-4.88%	-23.87%	-15.47%	8.16%	9.24%	11.70%	9.84%	6.08%

The Small Cap Opportunities Fund No Load Class inception date is 3/20/00. Figures include changes in principal value, reinvested dividends and capital gains distributions. Performance data quoted represents past performance and does not guarantee future results. Investment return and principal value will vary, and shares may be worth more or less at redemption than at original purchase. Call 1-800-930-3828 or visit us at www.kineticsfunds.com for the most recent month-end performance data. Current performance may be lower or higher than the performance data quoted. Performance data does not reflect the deduction of sales load or fee which, if reflected, would reduce the performance quoted. You will be charged a redemption fee equal to 2.00% of the net amount of the redemption if you redeem or exchange your shares 30 days or less after you purchase them.

Growth of $10,000 Returns Since Inception $123,692



Top 10 Holdings (%) as of 09/30/22

Texas Pacific Land Corp.	54.5%
DREAM Unlimited Corp.	4.6%
CACI International, Inc. - Class A	4.1%
Civeo Corp.	3.0%
Associated Capital Group, Inc. - Class A	2.2%
Icahn Enterprises LP	2.0%
Live Nation Entertainment, Inc.	1.5%
The Wendy's Company	1.3%
Inter Parfums, Inc.	1.3%
Sandstorm Gold Ltd.	1.2%

Statistics	Fund	S&P 600
Beta	0.94	1.00
Standard Deviation	22.62	19.41
Up Market Capture Ratio	0.96	-
Down Market Capture Ratio	0.77	-
Sharpe Ratio	0.46	0.37
Weighted Avg. Mkt. Cap. ($mil)	$10,613	$2,121
Median Market Cap. ($mil)	$1,195	$1,194
Price to Book	3.18	1.55
Price to Earnings	21.01	10.86
Return on Equity	36.20%	13.36%
Active Share	99.70%	-

The Kinetics **Small Cap Opportunities** Fund

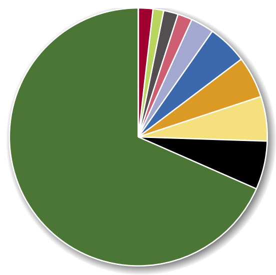
3Q 2022

Historical Total Return (No-Load Class) as of 09/30/22

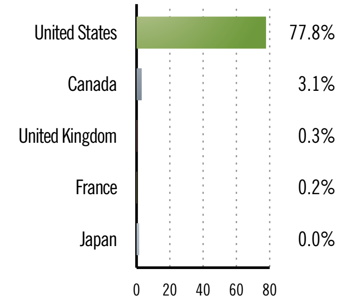
	2000*	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fund (KSCOX)	11.0%	30.6%	-30.3%	66.5%	16.4%	13.2%	28.4%	19.7%	-57.9%	58.2%	13.9%	-13.7%	26.7%	59.4%	-7.3%	-12.3%	24.4%	26.2%	0.3%	27.1%	2.3%	50.3%
S&P SmallCap 600 Index	4.3%	6.5%	-14.6%	38.8%	22.7%	7.7%	15.1%	-0.3%	-31.1%	25.6%	26.3%	1.0%	16.3%	41.3%	5.8%	-2.0%	26.6%	13.2%	-8.5%	22.8%	11.3%	26.8%
S&P 500 TR	-8.6%	-11.9%	-22.1%	28.7%	10.9%	4.9%	15.8%	5.5%	-37.0%	26.5%	15.1%	2.1%	16.0%	32.4%	13.7%	1.4%	12.0%	21.8%	-4.4%	31.5%	18.4%	26.8%

Top 10 Sectors (%)

Mining, Quarrying, and Oil and Gas Extraction	56.3%
Management of Companies and Enterprises	5.0%
Real Estate	4.6%
Accommodation and Food Services	4.3%
Professional, Scientific, and Technical Services	4.1%
Finance and Insurance	2.4%
Manufacturing	1.5%
Arts, Entertainment, and Recreation	1.5%
Real Estate and Rental and Leasing	1.1%
Transportation and Warehousing	0.5%



Top Countries (%)



Definitions:

Active share: A measure of the percentage of holdings in a portfolio that differ from a benchmark index. It is calculated by taking the sum of the differences of the weight of each holding in the portfolio and the weight of each holding in the benchmark index and dividing by two. Active share is measured against the iShares Core S&P Small-Cap ETF. **Beta:** A statistic that measures the volatility of the fund, as compared to the overall market. The market's beta is set at 1.00; therefore a beta higher than 1.00 is considered to be more volatile than the market, while a beta lower than 1.00 is considered to be less volatile. It is important to note that a low beta for a fund does not necessarily imply that the fund has a low level of volatility, a low beta signifies only that the fund's market-related risk is low. **Down Market Capture Ratio:** A statistical measure of an investment manager's overall performance in down-markets. The down-market capture ratio is used to evaluate how well or poorly an investment manager performed relative to an index during periods when that index has dropped. The down-market capture ratio has been calculated since 04/01/00. **Median Market Capitalization:** The median market capitalization (value of outstanding shares) of a basket of stocks. **Price to Book Ratio:** The harmonic weighted average of the price/book (P/B) ratios of the equity securities referenced. The ratio calculated by dividing the current price of the stock by the company's book value per share (assets minus liabilities). **Price to Earnings Ratio:** The harmonic weighted average of the price/earnings (P/E) ratios of the equity securities referenced. The P/E ratio is calculated by dividing the current price of the stock by the trailing one year earnings. **Return on Equity:** The amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested. **Sharpe Ratio:** A statistical measure that uses standard deviation and excess return to determine reward per unit of risk. A higher Sharpe ratio implies a better historical risk-adjusted performance. The Sharpe ratio has been calculated since 04/01/00 using the 3-month treasury bill for the risk-free rate of return. **Standard Deviation:** A statistical measure of portfolio risk used to measure variability of total return around an average, over a specified period of time. The greater the standard deviation over the period, the wider the variability or range of returns and hence, the greater the fund's volatility. The standard deviation has been calculated since 04/01/00. **Turnover Ratio:** A measure of how frequently assets within a fund are bought and sold by the managers represented over a one year period. **Up Market Capture Ratio**: A statistical measure of an investment manager's overall performance in up-markets. The up-market capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen. The up-market capture ratio has been calculated since 04/01/00. **Weighted Avg. Mkt. Cap:** The mean market capitalization (value of outstanding shares) of a basket of stocks, taking into account the relative weight of each investment.

*Cumulative return from Fund's inception to year end.

The Gross expense ratios listed are as of 12/31/2021 as reported in the 4/30/2022 prospectus. The Fund's adviser voluntarily agreed to waive management fees and reimburse fund expenses so that net annual fund operating expenses do not exceed certain levels, not including acquired fund fees and expenses (AFFE), through May 1, 2023 and may be discontinued at any time by the Fund's adviser after May 1, 2023.

In April 2019, Kinetics Asset Management LLC ("KAM") and Kinetics Advisers, LLC ("KA") reorganized into Horizon Asset Management LLC ("HAM"), following which HAM was renamed Horizon Kinetics Asset Management LLC ("HKAM"). KAM, HAM and KA were all wholly-owned subsidiaries of Horizon Kinetics LLC, and HKAM will remain a wholly-owned subsidiary. HKAM is the Fund's adviser, previously, KAM was the Fund's adviser. Neither the portfolio managers of the Fund nor the Fund's investment objective and investment strategy have changed.

The Growth of $10,000 chart illustrates the performance of a hypothetical $10,000 investment made in No Load Class shares commencement of operations (3/20/00). It assumes reinvestment of capital gains and dividends. This chart is not intended to imply any future performance.

Holdings are expressed as a percentage of total net investments and may vary over time. Equity holdings are subject to change, and may not be indicative of actual market position due to the use of call and put options.

The Top 10 Sectors and Top Countries displayed represent a percentage of the net assets and excludes cash equivalents and other assets in excess of liabilities.

You should consider the investment objectives, risks, charges and expenses of the fund carefully before investing. For a free copy of the fund's prospectus, which contains this and other information, visit our website at www.kineticsfunds.com or call 1-800-930-3828. You should read the prospectus carefully before you invest.

As a non-diversified fund, the value of its shares may fluctuate more than shares invested in a broader range of companies. In addition, investing in foreign securities involves more risk than just U.S. investments, including the risk of currency fluctuations, political and economic instability and differences in financial reporting standards. There may also be heightened risks investing in non-investment grade debt securities and the use of options. There are also risks associated with investing in small and medium sized companies. Non-investment grade debt securities, i.e., junk bonds, are subject to greater credit risk, price volatility and risk of loss than investment grade securities. Options contain special risks including the imperfect correlation between the value of the option and the value of the underlying asset. Unlike other investment companies that directly acquire and manage their own portfolios of securities, the Fund pursues its investment objective by investing all of its investable assets in a corresponding portfolio series of Kinetics Portfolio Trust.

The Fund holds investments that provide exposure to bitcoin. The value of bitcoins is determined by the supply of and demand for bitcoins in the global market for the trading of bitcoins, which consists of transactions on electronic bitcoin exchanges ("Bitcoin Exchanges"). Pricing on Bitcoin Exchanges and other venues can be volatile and can adversely affect the value of the bitcoin. Currently, there is relatively small use of bitcoins in the retail and commercial marketplace in comparison to the relatively large use of bitcoins by speculators, thus contributing to price volatility that could adversely affect a portfolio's direct or indirect investments in bitcoin. Bitcoin transactions are irrevocable, and stolen or incorrectly transferred bitcoins may be irretrievable. As a result, any incorrectly executed bitcoin transactions could adversely affect the value of a portfolio's direct or indirect investment in bitcoin. Only investors who can appreciate the risks associated with an investment should invest in cryptocurrencies or products that offer cryptocurrency exposure. As with all investments, investors should consult with their investment, legal and tax professionals before investing, as you may lose money.

S&P SmallCap 600 Index statistics chart data is based on the iShares Core S&P Small-Cap ETF for market cap, price to book, price to earnings, return on equity, and active share. iShares is a product of BlackRock, Inc.

The S&P SmallCap 600 Index represents an unmanaged, broad-based basket of small-cap stocks in the U.S equity market. The S&P SmallCap 600 returns assume that dividends are reinvested. The Standard & Poor's 500 Index represents an unmanaged, broad-based basket of stocks. It is typically used as a proxy for overall market performance. The S&P 500 Index returns assume that dividends are reinvested. An investor cannot invest directly in an index.

Distributor: Kinetics Funds Distributor LLC is not an affiliate of Kinetics Mutual Funds, Inc.

Kinetics Mutual Funds, Inc
We Do *Our* Research

The Kinetics **Spin-off and Corporate Restructuring** Fund

3Q 2022

Horizon Kinetics Asset Management LLC

- Employee-owned, SEC-registered investment adviser, initially established in 1994.
- Manages approximately $6.9 billion in assets as of 09/30/2022.
- Oversees investments in mutual funds, separate accounts and alternative products.
- Investment decisions based on fundamental research, all of which is conducted in-house.
- Horizon Kinetics Asset Management is the Fund's adviser. Previously, Kinetics Asset Management was the Fund's adviser.

Portfolio Managers

Murray Stahl
Chief Investment Officer
44 years of management experience
Co-Manager of Fund since inception (2007)

Steven Bregman
President
37 years of management experience
Co-Manager of fund since inception (2007)

Class Information

Class	Ticker	Cusip	12b-1 fee	Net	Gross
Adv. A	LSHAX	494613557	0.25%	1.68%	2.27%
Adv. C	LSHCX	494613540	0.75%	2.43%	2.77%
Inst.	LSHUX	494613532	-	1.43%	1.97%
No Load	LSHEX	494613524	-	1.63%	2.02%

Fund Characteristics

Total Net Assets	$28.2 million
Total Number of Positions*	33
Turnover Ratio	0.43%
Investment Style	Global Equity
Market Cap Focus	All Cap
Minimum Purchase	$2,500

*Calculated such that all securities issued by one issuer are counted as one position.

Portfolio Allocation

Common Stocks	89.3%
Cash and Cash Equivalents	10.7%

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Spin-off and Corporate Restructuring Fund Overview

- U.S. focused global all-cap fund comprised of investments in:
  - Spin-off companies and parent companies of spin-offs.
  - Subsidiary companies resulting from an equity "carve out" or "partial initial public offering" where a parent company sells equity of such subsidiary.
  - Companies subject to a corporate restructuring, or public shareholder activist holding companies which cause other companies to undergo a spin-off or corporate restructuring.
- Return potential is often the result of the market's inefficiency in initially valuing these securities, due in part to the lack of coverage by the investment community, lack of a natural shareholder base immediately following the transaction, and resulting initial, indiscriminate selling pressure.

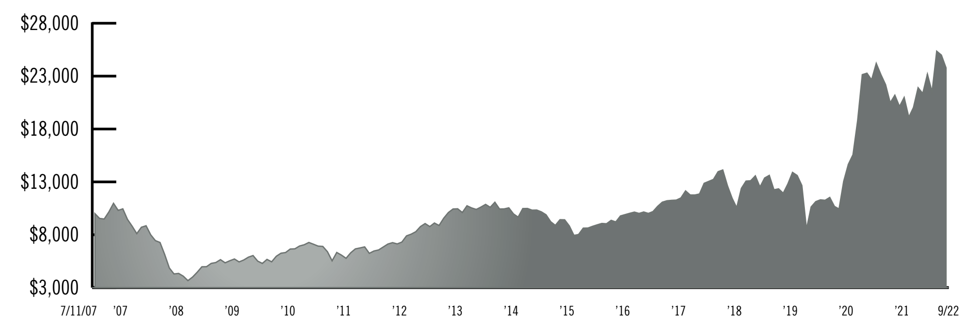
Performance (Institutional Class)*

Annualized Returns as of 09/30/22

	3 Month	YTD	1YR	3YR	5YR	10YR	Since Inception
Fund (LSHUX)	10.60%	13.37%	16.14%	24.44%	16.22%	12.81%	5.86%
S&P 500 Index	-4.88%	-23.87%	-15.47%	8.16%	9.24%	11.70%	7.98%

The Spin-off and Corporate Restructuring Fund Institutional Class inception date is 7/11/07. Figures include changes in principal value, reinvested dividends and capital gains distributions. Performance data quoted represents past performance and does not guarantee future results. Investment return and principal value will vary, and shares may be worth more or less at redemption than at original purchase. Call 1-800-930-3828 or visit us at www.kineticsfunds.com for the most recent month-end performance data. Current performance may be lower or higher than the performance data quoted. Performance data does not reflect the deduction of the sales load or fee which, if reflected, would reduce the performance quoted. You will be charged a redemption fee equal to 2.00% of the net amount of the redemption if you redeem or exchange your shares 30 days or less after you purchase them.

Growth of $10,000 Returns Since Inception — $23,781



Top 10 Holdings (%) as of 09/30/22

Texas Pacific Land Corp.	66.8%
CSW Industrials, Inc.	4.7%
Associated Capital Group, Inc. - Class A	4.2%
DREAM Unlimited Corp.	4.0%
Graham Holdings Company - Class B	1.9%
Civeo Corp.	1.6%
Capital Southwest Corporation	1.0%
The Howard Hughes Corporation	0.8%
Liberty Media Corp.-Liberty Formula One - Class A	0.7%
GAMCO Investors, Inc. - Class A	0.6%

Statistics

Statistics	Fund	S&P 500
Beta	1.19	1.00
Standard Deviation	25.15	16.59
Up Market Capture Ratio	1.15	-
Down Market Capture Ratio	1.33	-
Sharpe Ratio	0.22	0.55
Weighted Avg. Mkt. Cap. ($mil)	$10,768	$468,649
Median Market Cap. ($mil)	$796	$27,135
Price to Book	3.54	3.39
Price to Earnings	22.97	18.08
Return on Equity	38.36%	27.17%
Active Share	99.68%	-

The Kinetics **Spin-off and Corporate Restructuring** Fund

3Q 2022

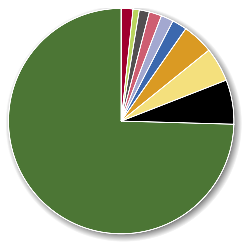
Historical Total Return (Institutional Class)* as of 09/30/22

	2007†	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fund (LSHUX)	4.5%	-58.4%	31.4%	16.5%	-13.2%	26.5%	43.1%	-4.7%	-11.4%	12.1%	15.9%	-8.1%	31.7%	5.5%	43.1%
S&P 500 Index	-2.4%	-37.0%	26.5%	15.1%	2.1%	16.0%	32.4%	13.7%	1.4%	12.0%	21.8%	-4.4%	31.5%	18.4%	28.7%

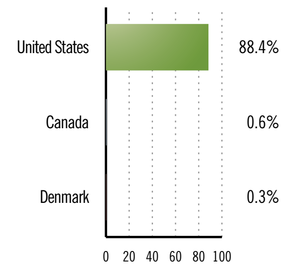
†Cumulative return from Fund's inception to year-end.

Top 10 Sectors (%)

Mining, Quarrying, and Oil and Gas Extraction	66.8%
Manufacturing	5.7%
Management of Companies and Enterprises	4.4%
Real Estate	4.0%
Educational Services	1.9%
Finance and Insurance	1.6%
Accommodation and Food Services	1.6%
Real Estate and Rental and Leasing	1.3%
Arts, Entertainment, and Recreation	0.8%
Information	0.5%



Top Countries (%)



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S&P 500 Index statistics chart data is based on the iShares S&P 500 Index Fund for market cap, price to book, price to earnings, return on equity, and active share. iShares is a product of BlackRock, Inc.

The Standard & Poor's 500 Index represents an unmanaged, broad-based basket of stocks. It is typically used as a proxy for overall market performance. The S&P 500 Index returns assume that dividends are reinvested. An investor cannot invest directly in an index.

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